



# 72<sup>nd</sup>

## ANNUAL REPORT

2015 - 2016



**Maha Rashtra Apex**  
**Corporation Limited**

Registered Office: 3rd Floor Front Wing, North Block  
Manipal Centre, #47, Dickenson Road, Bengaluru-42

*Respectful Salutations...*



Late Sri T Ramesh U Pai

## BOARD OF DIRECTORS

Whole Time Director	: Sri S R GOWDA
Director	: Sri K B SHETTY
Director	: Sri S S Kamath
Director	: Smt Jyothi V B
Company Secretary	: Sri J M PANDAY
Bankers	: SYNDICATE BANK CORPORATION BANK INDIAN OVERSEAS BANK
Auditors	: M/s. RAO & SWAMI Chartered Accountants Vidyarthna Building UDUPI - 576 101
Registered Office	: 3rd Floor, Front Wing North Block, Manipal Centre 47, Dickenson Road Bangalore – 560042
Administrative Office	: Syndicate House Uppendra Nagar MANIPAL – 576104
Share Transfer Agents	: M/s. Purva Sharegistry (India) Pvt Ltd. Unit Maha Rashtra Apex Corporation Ltd 9 Shiv Shakti Industrial Estate 7-B J R Boricha Marg Opp: Kasturba Hospital Lower Parel (E) MUMBAI-400 011

## NOTICE

NOTICE is hereby given that the 72nd Annual General Meeting of the members of MAHA RASHTRA APEX CORPORATION LIMITED will be held as follows:

Date: Thursday, September 29, 2016 Time: 12.00 Noon.

Venue: Sri T Ramesh Pai Memorial Hall at Kurlon Factory, Jalahalli Camp Road, Yashwantpur, Bengaluru – 560 022

The Agenda for the meeting is given below:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statement for the year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt Jyothi V B (DIN:07133349), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit to pass the following resolution as an ordinary resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Rao & Swami, Chartered Accountants (Registration No.003105S) (who were appointed by the shareholders upto the conclusion of 73rd AGM which is to be held in the year 2017) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 73rd Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors”.

### SPECIAL BUSINESS:

#### 4. To approve the borrowing limits of the Company.

To consider and if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED THAT the consent of the company be and is hereby accorded to the Board of Directors of the Company pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act 2013, to borrow any sum or sums of moneys from time to time on such terms and conditions with or without security as the Board of Directors think fit, notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company [apart from temporary loans obtained from the Company's bankers in the ordinary course of business] may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed (both fund-based and non-fund based borrowings) by the Board of Directors shall not at any time exceed the limit of Rs.50,00,00,000.00 (Rupees Fifty Crores) and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies borrowed or to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit.

**RESOLVED FURTHER THAT** the Board of Directors or any committee thereof which may be constituted for the purpose, be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution.”

#### 5. To approve the limits for investing the funds of the Company.

To consider, and if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of sub-section (2) and (3) of Section 186 and other applicable provisions, if any, of Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactments thereof) and subject to such approvals, permissions, sanctions and

consents of appropriate authorities, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors to invest in 50,000 fully paid up Equity Shares of M/s. Eldorado Investments Co. Private Limited, aggregating to a sum of ₹ 9,50,000/- (Rupees Nine Lakhs Fifty Thousand only), which together with the investments already made exceeds the limit as specified in Section 186(2) of the Companies Act, 2013 i.e. sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters, arising out of, and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of the Directors or any other principal officer(s) of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

#### **6. To adopt new set of Articles of Association**

To consider, and if thought fit to pass the following resolution as a Special Resolution.

**"RESOLVED THAT** pursuant to provisions of Section 14 of Companies Act, 2013, and other applicable provisions if any, approval of the members of the Company be and is hereby accorded to replace, alter, modify and revise the existing Articles of Association of the Company as per the new set of Articles of Association of Companies Act, 2013, a copy of which is placed before the meeting and duly initialled by the Chairman for the purposes of identification and that the regulations contained in the new set of Articles be and are hereby approved and adopted as the Articles of Association of the Company and they be the regulations of the Company in place, in substitution and to the entire exclusion of the existing Articles of Association.

#### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies in order to be effective should be duly completed stamped and must be deposited at the Company's Registered Office not less than 48 hours before the meeting time.
2. The Register of Members and share transfer books of the Company shall remain closed from Friday, 23.09.2016 to Thursday, 29.09.2016 (both days inclusive) for the purpose of Annual General Meeting of the Company.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the item No. 4 to 6 is annexed thereto.
4. Members/Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting.
5. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Individual Shareholders can avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the share holder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as Bodies Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trusts and holders of Power of Attorney. For further details, please contact the Company's corporate office.

8. Members are requested to:

- (a) intimate to the Company's Registrar and Share Transfer Agents, changes, if any, in their respective addresses along with Pin Code Number at an early date.
- (b) Quote Folio Numbers in all their correspondence.
- (c) Consolidate holdings into one folio in case of multiplicity of Folios with names in identical orders.

9. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the meeting so that the information may be made readily available at the Meeting.

**10. VOTING THROUGH ELECTRONIC MEANS:**

In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the members to cast their vote electronically. The members may cast their vote using an electronic voting system from a place other than the venue of the AGM ("remote e-voting"). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The facility for voting through polling paper shall be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**The instructions for members for remote e-voting are as under:**

- (i) The voting period begins on Monday, September 26, 2016 at 9.00 a.m. (IST) and ends on Wednesday, September 28, 2016 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, September 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

(ix) After entering these details appropriately, click on “SUBMIT” tab.

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. The said sequence number will be the Demat/Folio no. of the respective shareholders.
DOB	● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant 'MahaRashtra Apex Corporation Limited' on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.

- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account (s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
11. Once the vote on a resolution is cast by the shareholder through remote e-voting, the shareholder shall not be allowed to change it subsequently.
  12. The voting right of the shareholders shall be in proportion to their shares in the paid up equity capital of the Company as on the cut-off date.
  13. A copy of this notice is placed on the website of the Company and the website of CDSL.
  14. Mr. Ashish O. Lalpuria, Practicing Company Secretary (Certificate of Practice Number 11155) has been appointed as scrutinizer for conducting the e-voting in fair and transparent manner.
  15. The Scrutinizer shall after the conclusion of the voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 3 days of the conclusion of AGM, a consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by the chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
  16. The result declared along with the Scrutinizer Report shall be placed on the Company's website - [www.maharashtraapex.com](http://www.maharashtraapex.com) and the website of CDSL within two days of passing the resolutions at the AGM of the Company and communicated to Stock Exchanges where the shares of the Company are listed.

Members are requested to bring their copy of the Annual Report along with them to the meeting.

By Order of the Board,

Bengaluru  
August 13, 2016

**(S R Gowda)**  
Whole Time Director  
DIN-00046329



## ANNEXURE TO NOTICE

### Explanatory Statements under Section 102 (1) of the Companies Act, 2013.

#### Item No.4

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice, to enable to the Board of Directors to borrow money (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital and free reserves, which is negative as on date, provided that the total amount along with already borrowed and outstanding, if any shall not exceed ₹ 50,00,00,000.00 (Rupees Fifty Crores).

Hence, in the Board Meeting dated 27.05.2015, the directors had proposed this resolution for approval of members by passing special resolution. Shareholders may note that Due to inadvertent omission, the item was not taken up in the Annual General Meeting dated 30.09.2015

The Board commends to pass the resolution as Special Resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 except to the extent of their shareholding.

#### Item No.5

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and rules thereunder, the Company can make loans to, give guarantees, provide securities to and make investments in the securities of any other person/other bodies corporate to the extent of 60% of its paid-up share capital, free reserves and security premium account or 100% of its free reserves and security premium account, whichever is higher, with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of a special resolution.

However, during the financial year 2015-2016, the Board of Directors of the Company had invested ₹ 9,50,000/- (Rupees Nine Lakhs Fifty Thousand only) in 50,000 fully paid up Equity Shares of M/s. Eldorado Investment Co. Private Limited at the rate of ₹ 19/- (Rupees Nineteen only) per share which exceeds the limits specified in Section 186(2) of the Companies Act, 2013 since the Company has negative Networth (aggregate of the paid up capital and free reserves). Due to inadvertent omission, the company could not obtain prior approval of shareholders and hence, the Directors have proposed this resolution for approval of members by passing special resolution and ratify the abovementioned investment.

The Board commends to pass the resolution as Special Resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 except to the extent of their shareholding.

#### Item No. 6

The existing Articles of Association which were adopted in 1995 are in line with the erstwhile Companies Act, 1956, which are thus no longer in full conformity with the Companies Act, 2013 ("New Act"). The New Act is now largely in force. With the coming into force of the New Act several articles of the existing Articles of Association of the Company require alteration/deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The copy of the draft Articles of Association shall also be available for inspection between 2.00 p.m. and 4.00 p.m. on any working day excluding Saturday.

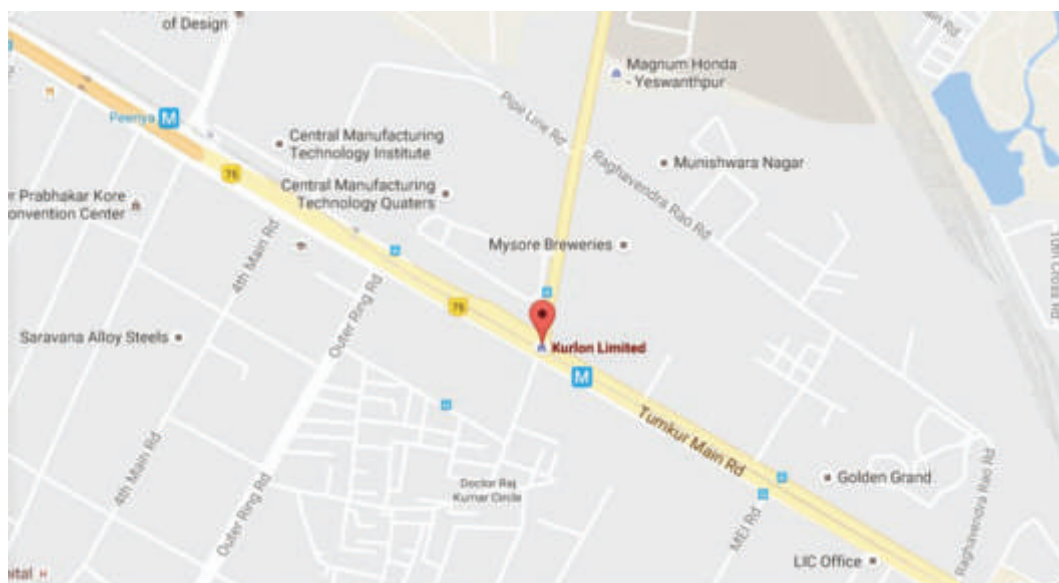
Your directors recommend the proposed resolution for your consideration and adoption of the new set of Articles of Association of the company to replace of the existing Articles of the company.

None of the Directors and key managerial personnel and their relative are, in anyway, concerned or interested, financially or otherwise in the said resolution.

**Disclosure relating to Directors seeking appointment/re-appointment pursuant to Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard 2 on General Meetings:**

Particulars	Mrs. Jyothi V.B.
Age	43 yrs
Qualification	M.Tech in Digital Communication
Experience	Professional educator having more than 10 years of teaching experience. Expertise in Electronic and Telecommunication domain and has served many top Engineering Colleges as lecturer in Bengaluru and active in social activities.
Terms & Conditions of appointment/re-appointment	Terms and Conditions as set out in the Appointment Letter
Remuneration to be paid	Nil
Remuneration last drawn	Nil
Date of first appointment on Board	31.03.2015
Shareholding in the Company	Nil
Relationship with other Directors/ Manager/Key Managerial Personnel	Nil
Number of Board Meetings attended	6
Other Directorship	Nil
Other Membership / Chairmanship of Committees	Member Nomination and Remuneration Committee

**Route Map to the venue of the 72nd Annual General Meeting**



## DIRECTORS' REPORT

**To the MEMBERS**

**Maha Rashtra Apex Corporation Limited**

Your Directors have pleasure in presenting their Annual Report on the business and operation of the company and the accounts for the financial year Ended 31st March, 2016.

### **1. FINANCIAL SUMMARY OR HIGHLIGHTS :**

The financial summary for the year ended 31st March, 2016 along with the corresponding figures for the previous year are as under:-

<b>Particulars</b>	<b>2015- 2016</b>	<b>2014-2015</b>
Revenue from operations	4004385.76	3457707.27
Other income	7834626.34	13430599.74
Sub total	11839012.10	16888307.01
Total expenses including depreciation and finance cost	36311030.26	41365037.42
Profit before tax & extraordinary & exceptional items	(24472018.16)	(24476730.41)
Exceptional items	52314487.79	4073995.97
Extraordinary items	74447897.24	24771159.50
Excess Depreciation Reversed	-	290487.14
Tax	-	-
Net profit	(2338608.71)	(3489079.74)

### **2. REVIEW OF OPERATION AND STATE OF COMPANY'S AFFAIRS:**

During the year under review, the Company has earned revenue of ₹ 118.39 lacs as compared to ₹ 168.88 lacs in the previous and has incurred loss of ₹ 23.39 lacs as compared to ₹ 34.89 lacs in the previous year.

Pursuant to the cancellation of NBFC License by the Reserve Bank of India during the year 2002, the Company is not carrying out any activity as a Non Banking Financial Company and is under Scheme of Arrangement as approved by Hon'ble High Court of Karnataka under Section 391 of Companies Act 1956. Presently the company is engaged only in recovery of its assets and repayment of liabilities under the said arrangement.

### **3. RESERVE & SURPLUS:**

No amount is proposed to be transferred to any reserves as on 31st March, 2016.

### **4. DIVIDEND**

In view of accumulated losses, your Directors do not recommend dividend for the equity shares and 14% Redeemable Cumulative Preference Shares for the financial year 2015-16.

### **5. SCHEME OF ARRANGEMENT AND PUBLIC DEPOSIT:**

In terms of Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, the Company has completed payment of three instalments. The payment of 4th instalment is in progress. As on 31st March, 2016 the principal amount outstanding in respect of Bond/Deposit is ₹ 3011.56 lakhs

During the year, Company has not taken any public deposit falling under the purview of Section 73 of the Companies Act, 2013.

### **6.CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company during the year.

## 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

DIN/PAN	Board of Directors and Key Managerial Personnel.	Designation
46329	Subbarame Gowda	Whole time Director
1039656	Sevagoor Srinivas Kamath	Director
1451944	Kudi Bhoja Shetty	Director
7133349	Jyothi Vishweshwaraiah Bhadravathi	Director
AACPP7417J	JamsheedMinocherPanday	Company Secretary

In accordance with the provisions of the Companies Act, 2013 no Directors were appointed or resigned during the financial year.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Jyothi V.B., Director of the Company retires by rotation and being eligible, offers herself for reappointment at the ensuing Annual General Meeting.

None of the Directors of the Company is disqualified under Section 164 of the Companies Act, 2013.

The Company is required to appoint Key Managerial Personnel under Section 203 of Companies Act 2013. Details are given below:

Sl. No	Name of the Key managerial personnel	DIN/PAN	Designation
1	SUBBARAME GOWDA	00046329	Whole time Director
2	JAMSHEED MINOCHER PANDAY	AACPP7417J	Company Secretary

There is no business activity and also due to financial constraints the company has not appointed CFO.

## 8. Remuneration to Directors and other employees:

The Board is comprised of 1 whole-time director, 1 non-executive director and 2 independent directors. Only Whole-time Director is paid remuneration and independent directors are not paid any remuneration.

A) Ratio of remuneration of director to the median remuneration of the employees:

Name of the director	Ratio to median employee
Sri Subbarame Gowda- Whole Time Director	1:2.20

- B) No Percentage increase in remuneration has been made to Whole-time Director of your company for the year ended March 2016.
- C) Percentage increase in median remuneration of the employees for the year ended March 2016: Nil
- D) Number of permanent employees on the rolls: 33
- E) Average percentile increase already made in the salaries of employees and comparison with managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration: There is no exceptional payment to Whole-Time Director . He is drawing minimum salary compare to the industry standard.
- F) The remuneration is as per remuneration policy of the company.

The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Under Section 197(14) of Companies Act 2013, it is hereby informed that none of the directors are in receipt of commission from the company / from holding / subsidiary company.

#### **9. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:**

The Company has Subsidiary and Associate Companies. Details are given below:

Sl.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
1	Maharashtra Apex Asset Management Company Limited	U85110KA1995PLC016881	Subsidiary
2	Eldorado Investments Company Private Limited	U65910MH1986PTC039904	Subsidiary
3	Crimson Estate & Properties Private Limited	U7010MH1987PTC042955	Subsidiary
4	Kurlon Limited	U17214KA1962PLC001443	Associate
5	Rajmahal Hotels Limited	U55101KA1976PLC003035	Associate
6	Mangala Investments Limited	U65993KA1979PLC003652	Associate
7	Manipal Home Finance Limited	U85110KA1994PLC016671	Associate
8	Manipal Springs Limited	U29309KA1984PLC005964	Associate

There is no Joint venture for the Company.

No company became or ceased to be subsidiary/associate or joint venture during the financial year 2015-16

Pursuant to Section 129(3) of the Companies Act, 2013 the salient features of financial Statement of Subsidiaries and Associate Companies in Form AOC-1 as 'Annexure I' to this report.

#### **INTERNAL FINANCIAL CONTROL:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

#### **10. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

#### **11. MEETINGS:**

During the financial year ended 31.03.2016 six meetings of the Board of Directors of the Company were held. The meetings were held on 27.05.2015, 10.08.2015, 01.09.2015, 03.10.2015, 14.11.2015 and 15.02.2016. The attendance of the directors is provided in the corporate governance report enclosed to this report

#### **12. INDEPENDENT DIRECTORS**

The Company has appointed independent directors in terms of Section 149(4) read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. The Company has received necessary declarations from the Independent Directors confirming their Independence. There has been no re-appointment of independent director during the year.

**13. CORPORATE GOVERNANCE:**

As required under Regulation 34(3) read with Schedule V of the Listing (Obligations and Disclosure Requirements) Regulations, 2015, a detailed Report on Corporate Governance is enclosed. A Certificate from the Auditors regarding compliance of the conditions of Corporate Governance is made as part of this Report.

**14. RISK MANAGEMENT POLICY :**

Pursuant to Scheme of Arrangement, sanctioned by the High Court of Karnataka, to repay the deposit liabilities and also in compliance of RBI restrictions, the Company focused only on recovery of loans and repayment of deposits. At present the risk is associated with this activity and all efforts are on to manage the delay and shortfall in instalment payments and assessment of its impact on the Company.

**15. POLICIES ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The company is covered under Section 178(1) of Companies Act 2013 read with Rule 6 of Companies (Meeting of Board and its Powers) Rules 2014. Accordingly Section 134(3)(e) of the Act requires the company to disclose policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and matters relating to remuneration for directors, key managerial personnel and employees. The highlights of the said policy is provided hereunder:

- The policy is recommended by Remuneration Committee and approved by the Board
- The policy provides for criteria for appointment / continuation of appointment of directors on the basis of requirements of Companies Act 2013 and Rules made thereunder
- The policy also specifies minimum - qualification, experience and other attributes
- The policy lays down criteria for evaluation of performance of board, committees and individual directors (as elaborated under separate heading in this report)
- Other matters like criteria for removal of directors, components of remuneration...etc are specified by the policy.

**16. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE AND AUDIT COMMITTEE AND STAKEHOLDER RELATINSHIP COMMITTEE :**

The Company is required to constitute a Nomination and Remuneration Committee, Audit committee and Stakeholders Relationship Committee under section 178(1), 177 & 178(5) respectively of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. Consequently disclosure pertaining to composition thereof and their recommendations are covered in Corporate Governance Report. During 2015-16, all recommendations of Audit Committee are accepted by the board. The company has adopted vigil mechanism and the same is available on the website of the company.

**17. FORMAL ANNUAL EVALUATION**

The company is covered under Section 134(3)(p) read with Rule 8(4) of Companies (Accounts) Rules 2014. Accordingly formal annual evaluation of performance of Board, committees and individual directors have been conducted by the Nomination & Remuneration Committee in the following manner:

- The evaluation is done internally
- The evaluation is done on the basis of inputs received from the directors regarding the performance of board & committees as a whole and also of director in individual capacity. Specific inputs have been collected from Independent Directors regarding performance of Whole-time Director
- Broad parameter for board performance have been the efficiency to guide the company through the process of recovering the assets and paying-off liabilities under the scheme of arrangement approved by Honourable High Court of Karnataka under Section 391 of Companies Act 1956.



Supplementary parameter is exploring opportunities for bringing new business opportunities for the company. Specific parameter for Whole-time Director is achievement of targets on the said recoveries and payments. Specific parameter for independent directors is attendance at board / committee meetings and providing independent judgements on the board decisions. Specific parameter for committees is execution of their terms of reference.

**18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

During the year, the Company has not given any loans, provided any securities or guarantee to any persons within the meaning of Section 186 of the Companies Act, 2013. However, during the year Company had invested in 50,000 fully paid up Equity Shares of M/s. El Dorado Investment Company Private Limited.

The investments as on 31.03.2016 are provided under schedule 5(b) to the balance sheet.

**19. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135, Corporate Social Responsibility is not applicable to the company.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The information relating to energy conservation, technology absorption and research & development pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

**A. Conservation of Energy-**

- i. Steps taken or impact on conservation of energy: Since the Company is not carrying out manufacturing activity, it is not energy intensive. Adequate measures have been taken to conserve the energy utilized.
- ii. Steps taken by the Company for utilizing alternate sources of energy: Nil
- iii. Capital investment on energy conservation equipments: NIL

**B. Technology absorption:-**

- i. Efforts made towards technology absorption: Nil
- ii. Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- iii. Imported technology (imported during the last three years reckoned from the beginning of the financial year):
  - a) Details of technology imported - No technology was imported during the year.
  - b) Year of import - Not Applicable
  - c) Whether the technology been fully absorbed- Not Applicable
  - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable
- iv. Expenditure incurred on Research and Development - Your Company is predominantly a service provider and is not required to set up a formal R&D unit.

**C. During the year 2015-16, there has been no foreign exchange earnings or outgo.**

**21. SHARE CAPITAL:**

- A) Issue of equity shares with differential rights: None
- B) Issue of sweat equity shares: None
- C) Issue of employee stock options: None
- D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees: None
- E) Redemption of securities: None

**22. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of section 134(5) the Board confirm and submit the Directors' Responsibility Statement that:—

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made

judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto has been disclosed in Form No. AOC -2 as 'Annexure II'.

**24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**25.. REPORTING OF FRAUD:**

The auditor of the company has not reported any fraud under Section 143(12) read with Rule 13 of Companies (Audit & Auditors) Rules 2014

**26. EXTRACT OF ANNUAL RETURN:{Section 134(3)(a)}**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in Form MGT- 9 as a part of this Annual Report as 'Annexure III'.

**27. DISCLOSURE PURSUANT TO SECTION 22 OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 requires every employer to comply with its provisions and make a disclosure of the number of cases occurring under the Act pursuant to Section 22. Your Board confirms that no complaints / cases have been filed / are pending with the Company during the year.

**28. AUDITORS AND THEIRREPORT:**

Rao & Swami, Chartered Accountants, Udupi, the statutory auditor of the company were appointed in for a term of three years i.e., 2014-15, 2015-16 and 2016-17. The said appointment however shall be subject to ratification by the shareholders at every annual general meeting. Accordingly it is proposed to ratify the appointment of Rao & Swami, Chartered Accountants, Udupi, as statutory auditor of the company

The report of the statutory auditor for the financial year 2015-16 is circulated to the members along with financials for the said period.

**REPLY TO AUDITOR S OBSERVATION**

Pursuant to requirements of Section 134 (3) (f) of the Companies Act, 2013, explanation is necessary, as there is qualification, reservation or adverse remark made by the Statutory Auditors of the Company in their report.

The Company has stopped acceptance of deposit w e f 1.4.2002. Therefore we honestly believed that no credit rating is required by the Company.

Investments are long term nature. So, no provision was considered for diminishing value of investments

With regard to Auditors observations in point No. i, ii, iii, iv and v explanations given in the relevant notes No.3.2,3.5, 3.6,3.7 and 3.11 of Schedules of Accounts are self explanatory.



**29. SECRETARIAL AUDIT AND THEIR REPORT**

The provisions of Section 204 regarding Secretarial Audit are applicable to the company and accordingly Secretarial Audit Report is enclosed to this report as 'Annexure IV'. Qualifications by Secretarial Auditor is answered in the annexure to this report.

**30. ACKNOWLEDGEMENTS:**

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

For and on behalf of the Board

**For Maha Rashtra Apex Corporation Limited**

Place: Bengaluru  
Date: 13th August 2016

<b>K B Shetty</b>	<b>Subbarama Gowda</b>
Director	Whole Time Director
DIN: 01451944	DIN: 00046329

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures**

**Part A subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs. in lacs)

Particulars	Maharashtra Apex Asset Management Company Limited	Eldorado Investments Company Private Limited	Crimson Estate & Properties Private Limited
Relation	Subsidiary	Subsidiary	Subsidiary
The date since when subsidiary was acquired	2002	2002	2002
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR
Share capital	502.58	100.20	180.00
Reserves and surplus	(301.94)	94.15	(65.48)
Total assets	216.24	266.10	123.27
Total Liabilities	216.24	266.10	123.27
Investments	26.21	19.15	19.00
Turnover	8.55	14.48	9.79
Profit/loss before taxation	12.14	(0.57)	7.71
Provision for taxation	(0.68)	(1.30)	(1.50)
Profit/loss after taxation	11.46	(1.87)	6.21
Proposed Dividend	0.00	0.00	0.00
Extent of shareholding (in percentage)	99.99	81.00	99.99

**Notes:**

- Names of subsidiaries which are yet to commence operations: NONE
- Names of subsidiaries which have been liquidated or sold during the year: NONE

**Part B Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Name of Associates or Joint Ventures	Kurlon Limited	Rajmahal Hotels Limited	Mangala Investments Limited	Manipal Home Finance Limited	Manipal Springs Limited
Relationship	Associate	Associate	Associate	Associate	Associate
Latest audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015
Date on which the Associate or Joint Venture was associated or acquired	2004	1996	1996	2013	
No. Shares of Associate or Joint Ventures held by the company on the year end	5643070	36368	58436	1395000	33990
Amount of Investment in Associates or Joint Venture	1726.06	0.76	1.50	1.19.77	34.16
Extent of Holding (in percentage)	38.00	29.44	28.14	40.50	22.97
Description of how there is significant influence	Note -A	Note -A	Note -A	Note -A	Note -A
Reason why the associate/ joint venture is not consolidated	Note -B	Note -B	Note -B	Note -B	Note -B
Net worth attributable to shareholding as per latest audited Balance Sheet					
Profit or Loss for the year:					
i. Considered in Consolidation					
ii. Not Considered in Consolidation					

**Notes:**

- A. Significant influence is on account of share holding.  
 B. The Audited financial statement/ financial information of five associate companies, for the year ended 31st March, 2016 are not received so, not consolidated.
1. Names of associates or joint ventures which are yet to commence operations: NONE  
 2. Names of associates or joint ventures which have been liquidated or sold during the year: NONE

For and on behalf of the Board

**For Maha Rashtra Apex Corporation Limited**

**S R Gowda**  
Whole Time Director  
DIN: 00046329

**K B Shetty**  
Director  
DIN: 01451944

**S S Kamath**  
Director  
DIN: 01039656

Place: Bengaluru  
Date: 13th August 2016

**Jyothi V B**  
Director  
DIN: 07133349

**J M Panday**  
Company Secretary

Annexure II

**Form No. AOC-2**

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis: NONE**

**2. Details of material contracts or arrangement or transactions at arm's length basis: NONE**

Note: The company has entered into transaction with M/s Kurlon Limited (Associate Company) for sale of property situated at Yashwanthpur, Bangalore. The said transaction is as per the order of Honorable Karnataka High Court on 25.05.2012 – as a part of on-going scheme of arrangement with depositors

For and on behalf of the Board

**Maha Rashtra Apex Corporation Limited**

Place: Bengaluru  
Date: 13th August 2016

<b>K B Shetty</b>	<b>Subbarama Gowda</b>
Director	Whole Time Director
DIN: 01451944	DIN: 00046329



**ANNEXURE- III**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and other details:**

(i)	CIN	L85110KA1943PLC001177
(ii)	Registration Date	26.04.1943
(iii)	Name of the Company	Maha Rashtra Apex Corporation Limited
(iv)	Category / Sub-Category of the Company	Indian Non-Government Company
(v)	Address of the registered office and contact details	3rd Floor, Front Wing North Block, Manipal Centre 47, Dickenson Road Bangalore-560042 Karnataka
(vi)	Whether listed company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s PurvaSharegistry (India) Pvt Ltd 9, Shiv Shakti Industrial Estate 7-B J R Boricha Marg Opp: Kasturba Hospital Lower Parel (E) MUMBAI -400 011

**II. Principal business activities of the company (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	None		

**III. Particulars of Holding, Subsidiary and Associate Companies (No. of companies for which information is being filled)**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of the Shares held	Applicable Section
01	Maharashtra Apex Asset Management Company Limited Add: G5, Ground Floor, Brigade Links Apts, Seshadripuram, Bangalore – 560020 Karnataka	U85110KA1995PLC016881	Subsidiary	99.99	2(87)
02	Eldorado Investments Company Private Limited Add: 504, Vardaman Chambers, 17/G, CawasjiPatel Street, Fort, Mumbai – 400 023	U65910MH1986PTC039904	Subsidiary	81.00	2(87)
03	Crimson estate & properties Private Limited Add: 315, Dalamal Towers, Nariman Point, Mumbai - 400021	U7010MH1987PTC042955	Subsidiary	99.99	2(87)
04	Kurlon Limited Add: N-301, 3 <sup>rd</sup> Floor, North Block, Front Wing, Manipal Centre, 47, Dickenson Road, Bangalore - 560042	U17214KA1962PLC001443	Associate	38.00	2(6)
05	Rajmahal Hotels Limited Add: Syndicate House, Upendra Nagar, Manipal, Karnataka – 576 104	U55101KA1976PLC003035	Associate	29.44	2(6)
06	Mangala Investments Limited Add: Syndicate House, Upendra Nagar, Manipal, Karnataka – 576 104	U65993KA1979PLC003652	Associate	28.14	2(6)
07	Manipal Home Finance Limited Add: N-301, 3 <sup>rd</sup> Floor, North Block, Front Wing, Manipal Centre, 47, Dickenson Road, Bangalore - 560042	U85110KA1994PLC016671	Associate	46.50	2(6)

**IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter's</b>									
(1) <b>Indian</b>									
(g) Individuals/ HUF	2470925	706699	3177624	22.46	2470925	706699	3177624	22.46	0
(h) Central Govt	0	0	0	0	0	0	0	0	0
(i) State Govt(s)	0	0	0	0	0	0	0	0	0
(j) Bodies Corp.	4546829	1049233	5596062	39.55	4554929	1049233	5604162	39.61	0.06
(k) Banks / FI	0	0	0	0	0	0	0	0	0
(l) Any Other....									
* DIRECTORS	0	0	0	0	0	0	0	0	0
* DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
* PERSON ACTING IN CONCERN	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(1):-</b>	<b>7017754</b>	<b>1755932</b>	<b>8773686</b>	<b>62</b>	<b>7025854</b>	<b>1755932</b>	<b>8781786</b>	<b>62.06</b>	<b>0.06</b>
(2) <b>Foreign</b>									
(a) NRI Individuals	0	0	0	0	0	0	0	0	0
(b) Other Individuals									
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....									
<b>Sub Total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>7017754</b>	<b>1755932</b>	<b>8773686</b>	<b>62</b>	<b>7025854</b>	<b>1755932</b>	<b>8781786</b>	<b>62.06</b>	<b>0.06</b>
<b>B. Public Shareholding</b>									
(1) <b>Institutions</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks FI	480	1118	1598	0.01	480	399	879	0.01	-0.01
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govet(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
* U.T.I.	0	0	0	0	0	0	0	0	0
* FINANCIAL INSTITUTIONS	0	0	0	0	0	0	0	0	0
* I.D.B.I.	0	0	0	0	0	0	0	0	0
* I.C.I.C.I.	0	0	0	0	0	0	0	0	0
* GOVERNMENT COMPANIES	0	0	0	0	0	0	0	0	0
* STATE FINANCIAL CORPORATION	0	0	0	0	0	0	0	0	0





Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
* QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
* ANY OTHER	0	0	0	0	0	0	0	0	0
* OTC DEALERS (BODIES CORPORATE)	0	0	0	0	0	0	0	0	0
* PRIVATE SECTOR BANKS	400	0	400	0	400	0	400	0	0
<b>Sub-total (B)(1):-</b>	880	1118	1998	0.01	880	399	1279	0.01	-0.01
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	379830	12647	392477	2.77	83731	12647	96378	0.68	-2.09
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	965795	3190718	4156513	29.37	931623	3152143	4083766	28.86	-0.51
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	297376	473960	771336	5.45	523377	473960	997337	7.05	1.6
(c) Others (specify)									
* N.R.I. (NON-REPAT)	1336	249	1585	0.01	3386	249	3635	0.03	0.01
* N.R.I. (REPAT)	7560	0	7560	0.05	7560	0	7560	0.05	0
* FOREIGN CORPORATE BODIES	0	0	0	0	0	0	0	0	0
* TRUST	2192	2000	4192	0.03	2192	2000	4192	0.03	0
* HINDU UNDIVIDED FAMILY	40478	0	40478	0.29	40169	0	40169	0.28	0
* EMPLOYEE	0	0	0	0	0	0	0	0	0
* CLEARING MEMBERS	275	0	275	0	133998	0	133998	0.95	0.95
* DEPOSITORY RECEIPTS	0	0	0	0	0	0	0	0	0
* OTHER DIRECTORS & RELATIVES	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	1694842	3679574	5374416	37.98	1726036	3640999	5367035	37.93	-0.05
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	1695722	3680692	5376414	38	1726916	3641398	5368314	37.94	-0.06
C. TOTSHR held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>GrandTotal (A+B+C)</b>	8713476	5436624	14150100	100	8752770	5397330	14150100	100	0



**B) Shareholding of Promoter-**

S.N	Shareholder's Name	Shareholding at the beginning of the year 31-3-2015			Share holding at the end of the year 31-3-2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manipal Holdings Private Limited	2488875	17.59	0	2488875	17.59	0	0.00
2	Jaya S Pai	2127365	15.03	0	2127365	15.03	0	0.00
3	Metropolis Builders Pvt Ltd.	1354643	9.57	0	1362743	9.63	0	0.06
4	Chitrakala Investment Trade & Business Finance Ltd	906297	6.4	0	906297	6.4	0	0.00
5	Mangala Investments Limited	670000	4.73	0	670000	4.73	0	0.00
6	TonseSudhakarPai	391198	2.76	0	391198	2.78	0	0.00
7	ShantiRamesh Pai	386110	2.73	0	386110	2.73	0	0.00
8	SheelaPai	265184	1.87	0	265184	1.87	0	0.00
9	Jai BharathMills Private Ltd	141700	1.00	0	141700	1.00	0	0.00
10	GeneralInvestment & Commercial Corporation Ltd.	34147	0.24	0	34147	0.24	0	0.00
11	T Ramesh U Pai	7085	0.05	0	7085	0.05	0	0.00
12	Varada SPrabhu	562	0	0	562	0	0	0.00
13	EfficientManagement Services (P) Ltd.	400	0	0	400	0	0	0.00
14	Tonse Satish Upendra Pai	120	0	0	120	0	0	0.00

**C) Change in Promoter's Shareholding:**

SI No.		Share Holding at the beginning of the year 31/03/2015		Cumulative Shareholding during the year 31/03/2016		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in share holding during the year	
1	MANIPAL HOLDINGS PRIVATE LIMITED	2488875	17.59			
2	31-03-16	2127365	15.03	2488875	17.59	
	31-03-16			2127365	15.03	
3	METROPOLIS BUILDERS PVT LTD	1354643	9.57			
	15-01-16	8100	0.06	1362743	9.63	Buy
	31-03-16			1362743	9.63	
4	CHITRAKALA INVESTMENT TRADE & BUSINESS FINANCE LTD	906297	6.4			
	31-03-16			906297	6.4	



SI No.		ShareHolding at the beginning of the year 31/03/2015		Cumulative Shareholding during the year 31/03/2016		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in share holding during the year	
5	MANGALA INVESTMENTS LIMITED	670000	4.73			
	31-03-16			670000	4.73	
6	TONSE SUDHAKAR PAI	391198	2.76			
	31-03-16			391198	2.76	
7	SHANTI RAMESH PAI	386110	2.73			
	31-03-16			386110	2.73	
8	SHEELA PAI	265184	1.87			
	31-03-16			265184	1.87	
9	JAI BHARATH MILLS PRIVATE LIMITED	141700	1			
	31-03-16			141700	1	
10	GENERAL INVESTMENT AND COMMERCIAL C	34147	0.24			
	31-03-16			34147	0.24	
11	T RAMESH U PAI	7085	0.05			
	31-03-16			7085	0.05	
12	VARADA S PRABHU	562	0			
	31-03-16			562	0	
13	EFFICIENT MANAGEMENT SERVICES (P) L	400	0			
	31-03-16			400	0	
14	TONSE SATISH UPENDRA PAI	120	0			
	31-03-16			120	0	

**D. Sharedholding Pattern of top ten Shareholders:**

SI No.		ShareHolding at the beginning of the year 31/03/2015		Cumulative Shareholding during the year 31/03/2016		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in share holding during the year	
1	GOKULDAS HEGDE	192985	1.36			
	31-03-16			192985	1.36	
2	MARWADI SHARES					
	AND FINANCE LTD.	158721	1.12			
	24-04-15	-1000	-0.01	157721	1.11	Sell
	15-05-15	-153720	-1.09	4001	0.03	Sell
	17-07-15	353	0	4354	0.03	Buy
	31-07-15	-200	0	4154	0.03	Sell
	11-09-15	-4100	-0.03	54	0	Sell
	23-09-15	100	0	154	0	Buy
	20-11-15	-153	0	1	0	Sell
	31-03-16			1	0	
3	ANS PVT LIMITED	136871	0.97			
	07-08-15	3678	0.03	140549	0.99	Buy
	04-09-15	1000	0.01	141549	1	Buy
	30-09-15	-9900	-0.07	131649	0.93	Sell
	20-11-15	649	0	132298	0.93	Buy
	31-03-16			132298	0.93	
4	D VEERENDRA HEGDE	88320	0.62			
	31-03-16			88320	0.62	
5	SHILPA PAI	64285	0.45			
	31-03-16			64285	0.45	
6	DAVE AJAY					
	GIRISHCHANDRA	63100	0.45			
	06-11-15	1000	0.01	64100	0.45	Buy
	31-03-16			64100	0.45	
7	NITIN GAJANANRAO KHOT	61650	0.44			
	31-03-16			61650	0.44	
8	MAKWANA HITESH					
	SHANTILAL	40544	0.29			
	08-05-15	-2	0	40542	0.29	Sell
	28-08-15	-100	0	40442	0.29	Sell
	04-09-15	-557	0	39885	0.28	Sell
	18-03-16	-9885	-0.07	30000	0.21	Sell
	31-03-16			30000	0.21	
9	T G SREENIVASAN NAIR	38610	0.27			
	31-03-16			38610	0.27	
10	MAHESH RAMDAS KANANI	35371	0.25			
	31-03-16			35371	0.25	

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl.No	For each of Directors and KMP	Shareholding at the beginning of the year	% of the total shares of the Company	Share holding at the end of the year	% of the total shares of the Company
1	Sri S R Gowda	800	0.00	800	0.00
2	Sri K B Shetty	0	0.00	0	0.00
3	Sri S S Kamath	400	0.00	400	0.00
4	Smt Jyothi V B	0	0.00	0	0.00

**V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3593.65	561.81	-	4155.46
ii) Interest due but not paid	4604.09	-	-	4604.09
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8197.74</b>	<b>561.81</b>		<b>8759.55</b>
<b>Change in Indebtedness during the financial year</b>				
# Addition	-	-	-	-
# Reduction	1105.54	-	-	1105.54
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	3011.56	561.81	-	3573.37
ii) Interest due but not paid	4080.64	-	-	4080.64
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7092.20</b>	<b>561.81</b>	<b>-</b>	<b>7654.01</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Mr. S R Gowda	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,45,000.00	3,45,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission-as % of profit - others, specify...	0.00	0.00
5	Others, please specify Total (A)	0.00 3,45,000.00	0.00 3,45,000.00
	Ceiling as per the Act	₹. 60 lacs p.a.	

\*The ceiling as per the Act is not applicable since the company is not doing any business. The remuneration is paid in absence of profits. Compliance with Rule 7(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Section II of Part II of Schedule V of the Companies Act 2013

### B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Sri K B Shetty	Sri S SKamath	Smt Jyothi V B	
1.	Independent Directors				
	Fee for attending board committee meetings	12,000.00	12,000.00	0.00	24,000.00
	Commission	0.00	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	12,000.00	12,000.00	0.00	24,000.00
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings	0.00	0.00	12,000.00	12,000.00
	Commission				
	Others, please specify	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	12,000.00	12,000.00
	Total (1+2)	12,000.00	12,000.00	12,000.00	36,000.00
	Overall Ceiling as per the Act	N.A			

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

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NIL			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit others, specify...				
5	Others, please specify Total				

XII. Penalties / punishment/ compounding of offences: None

For and on behalf of the Board

**Maha Rashtra Apex Corporation Limited**

Place: Bengaluru  
 Date: 13th August 2016

**K B Shetty**      **Subbarama Gowda**  
 Director      Whole Time Director  
 DIN: 01451944      DIN: 00046329

**Annexure IV**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2016**

To,  
The Members,  
Maha Rashtra Apex Corporation Limited  
Manipal

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Maha Rashtra Apex Corporation Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Other Labour, Industrial and Environmental laws as applicable to the company

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange, if applicable;

(The struck-off items above are not applicable to the company)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. In the annual report 2014-15, the company has presented statement pursuant to Section 212 of Companies Act 1956 and not Form AOC.1
2. The company has not appointed internal auditor as required under Section 138 of Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014
3. The company has not paid preference dividend for more than two years. Second proviso of Section 47(2) of Companies Act 2013 requires the company to allow voting right to preference shareholders in the meeting of equity shareholders. The company has not allowed voting rights as per the section. Though preference shareholders are part of on-going scheme of arrangement approved by Honorable High Court of Karnataka, no express immunity from this section is obtained from Honorable High Court of Karnataka.
4. Form MGT.14 for the board resolution passed on 27.05.2015 for borrowal is not filed and 270 days have elapsed
5. The company has bought shares of M/s Eldorado Investments Company (P) Ltd . The company has negative net-worth and hence it is not within limits under Section 186. The company has not obtained prior approval of shareholders
6. The company has subsisting lease with Mangala Investment Limited and Rajmahal Hotels Limited. In the absence of lease agreement / board approval / shareholders approval, we are unable to comment whether the transaction is on arms length basis. Consequently we are unable to comment on compliance of Section 188
7. The company is required to appoint Chief Financial Officer as per Section 203(1) read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The company has not appointed Chief Financial Officer
8. SHP submitted to stock exchange as on 31.12.2015 does not reflect the acquisition of shares by M/s Metropolis Builders P Ltd on 19.11.2015

Signature:

Date : 09.08.2016

Place: Bangalore

Name of Company Secretary in practice / Firm:

Madhwesh K

ACS/FCS No.: 21477

C P No.: 10897



**BOARD'S RESPONSE TO SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2016

To,  
The Members,  
Maha Rashtra Apex Corporation Limited  
BENGALURU

1. Along with statements pursuant to Section 212 of the Companies Act, 1956 the Form AOC-1 is also presented.
2. The Company is repaying its debts after getting sanction from Karnataka High Court under Section 391 of the Companies Act, 1956. At present the Company is not doing any business except collection of loans and repayment of deposits. Due to financial position of the company it is a hardship on the company to remunerate internal auditor as per market standards.
3. It will be ensured that effective from General Body Meeting in September, 2016 the company will allow voting right to preference shareholders. Requisite notice will be sent to them.
4. The Company will arrange to file the Form MGT.14 for the board resolution passed on 27.05.2015.
5. By oversight the prior approval from the Shareholders before purchase of shares of M/s Eldorado Investments Company (P) Ltd shares was not taken. The company intends to obtain the requisite approval from shareholders in the ensuing annual general meeting
6. Documents pertaining to the said lease are not traceable since a lot of time has elapsed. The management confirm that the transactions are on arms length basis. M/s Mangala Investments Ltd, and Rajmahal Hotels Ltd were provided a small office space and they are regularly paying rent. A fresh approval for the lease was taken in the board meeting held on 13.8.2016.
7. As the focus is only on collection of loans and repayment deposits the appointment of CFO is considered not necessary. Further, due to financial constraints it is a hardship on the company to remunerate CFO as per market standard.
8. An error has crept into SHP submitted on 31-12-2015. In the SHP as on 31.03.2016 – the said change in shareholding is correctly reflected

Place: Bengaluru  
Date: 13th August 2016

**Subbarame Gowda**  
Whole Time Director  
DIN: 00046329

## CORPORATE GOVERNANCE REPORT- 2016

### 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, 2016 the total strength of the Board of Directors was four directors. All the directors except the Whole Time 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, 2016 was as under:

Six Board Meetings were held during the period 2015-16. These meetings were held on 27th May, 2015, 10th August, 2015, 1st September, 2015, 3rd October, 2015, 14th November, 2015, and 15th February, 2016.

The details are as 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	4	Yes	18	3	0
2	Sri K B Shetty	Independent Non-Executive Director	6	Yes	Nil	3	1
3	Sri S S Kamath	Independent Non-Executive Director	6	Yes	10	3	1
4	Smt Jyothi V B	Non-Executive Director	6	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 four times during the period 2015-2016 on 27th May, 2015, 10th August, 2015, 14th November, 2015 and 15th February, 2016.

**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 30th September, 2015. 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:

27th May, 2015	Sri K B Shetty Sri S S Kamath Sri S R Gowda
10th August, 2015	Sri K B Shetty Sri S S Kamath
14th November, 2015	Sri K B Shetty Sri S R Gowda Sri S S Kamath
15th February, 2016	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 during the period from 1.4.2015 to 31.3.2016 is given here below:

- i) Whole-Time Director ₹. 3.45 lakhs
- 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 30 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	21
2	Sri K B Shetty	Non-Executive-Independent	10
3	Sri S S Kamath	Non-Executive-Independent	30

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

No. of Share Holders Complaints received during the year - 1  
 No. of Share Holders Complaints settled during the year - 1  
 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
69	30.9.2013	11.00 a.m	Nil
70	30.9.2014	11.00 a.m	*1
71	30.9.2015	12.00 noon	Nil

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

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 2015-16 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 Clause 49 of the Listing Agreement to the extent it was applicable and thereafter Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**6. MEANS OF COMMUNICATION:**

- 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 .
- The financial results also displayed on the Company's website – [www.maharashtraapex.com](http://www.maharashtraapex.com)
- 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 ₹ 351.82 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 three instalments. The payment of 4th instalment is in progress .The outstanding balance of Deposit/Bond is ₹ 3011.56 lacs as on 31st March, 2016.

### 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 33 Staff members working in the entire organisation as on 31.3.2016.

## 8. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting:	72 <sup>nd</sup> Annual General Meeting
Date:	29.09.2016
Time:	12.00 NOON
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:	23.9.2016 to 29.9.2016 (both days inclusive) for the purpose of Annual General Meeting of the Company.
d) Dividend:	The Board of Directors has not recommended any dividend on Equity Shares for the period 2015-16.
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 2015-16 has been paid to both of the Stock Exchanges and custodial fees paid for the year 2015-16 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, 2016, 87,52,770 Equity Shares forming 61.85% Share Capital of the Company stands Dematerialised.

**i) Share Price Data:**

Market price data of the Company's equity Shares in Bombay Stock Exchange Ltd for the period from April, 2015 to March 2016 is as below:

Month	High	Low
April, 2015	7.82	5.08
May, 2015	9.92	8.21
June, 2015	9.40	6.86
July, 2015	9.45	7.11
August, 2015	11.65	8.98
September, 2015	14.50	10.98
October, 2015	13.00	10.92
November, 2015	17.90	12.18
December, 2015	17.60	13.75
January, 2016	15.12	12.64
February, 2016	14.00	11.98
March, 2016	14.00	13.30

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

M/s Purva Sharegistry (India) Pvt Ltd.  
Unit Maha Rashtra Apex Corporation Ltd  
9 Shiv Shakti Industrial Estate  
7-B J R Boricha Marg  
MUMBAI-400 011  
Tel: 23010771, 23016761  
Email – busicomp@vsnl.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.

**k) DISTRIBUTION OF EQUITY SHAREHOLDING ON 31st MARCH, 2016:**

SHARE HOLDING OF NOMINAL VALUE OF (1)	NUMBER (2)	% TO TOTAL (3)	IN ₹ (4)	% TO TOTAL (5)
UPTO 5,000	9576	85.12	23474810	16.59
5,001 - 10,000	1134	10.08	8066460	5.7
10,001 - 20,000	360	3.2	4964930	3.51
20,001 - 30,000	67	0.6	1668900	1.18
30,001 - 40,000	36	0.32	1255500	0.89
40,001 - 50,000	8	0.07	351840	0.25
50,001 - 1,00,000	29	0.26	2074320	1.47
1,00,001 AND ABOVE	40	0.36	99644240	70.42
<b>TOTAL</b>	<b>11250</b>	<b>100</b>	<b>14150100</b>	<b>100</b>



# I. SHAREHOLDING PATTERN AS ON 31st MARCH, 2016

Category	No. of Shares Held	Percentage of Shareholding
A. Directors and Promoters	8782986	62.07
B. Institutional Investors	0	0
C. Mutual Funds and UTI	0	0
D. Banks	1279	0.01
E. FIIs	0	0
F. Private Corporate Bodies	96378	0.68
G. Indian Public	5079903	35.9
H. NRI ((Repat& Non-Repat)	11195	0.08
I. Any other(Please specify)		
i.Hindu Undivided Family	40169	0.28
ii.Trust	4192	0.03
iii.Clearing Member	133998	0.95
GRAND TOTAL	14150100	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 Purva Sharegistry (India) Pvt Ltd.  
Unit Maha Rashtra Apex Corporation Ltd  
9 Shiv Shakti Industrial Estate  
7-B J R Boricha Marg  
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 2015-16.

Place: Bengaluru  
Date: 13th August 2016

**Subbarame Gowda**  
Whole Time Director  
DIN: 00046329

## Whole Time Director/CFO CERTIFICATION

To

The Board of Directors  
MAHA RASHTRA APEX CORPORATION LTD  
Bangalore

We, Whole Time 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**

**WHOLE TIME DIRECTOR**

Place: Bengaluru  
Date: 13th August 2016



## AUDITORS' CERTIFICATE

We have examined the compliance of corporate governance by Maha Rashtra Apex Corporation Ltd (the Company) for the year ended 31st March, 2016, as stipulated in:

Clause 49 of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015. Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016, and Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

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 **RAO & SWAMI**  
Chartered Accountants  
FRN:003105S

**P V Shenoy**  
Partner  
Membership No.020205

Place: Bengaluru  
Date: 30 May 2016

## INDEPENDENT AUDITOR'S REPORT

**To the Members, MAHA RASHTRA APEX CORPORATION LTD**

### Report on the Financial Statements

1. We have audited the accompanying financial statements of MAHA RASHTRA APEX CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### Basis for qualified Opinion:

*By an order dated 13th June 2002, RBI has cancelled the certificate of registration granted to the company to act as Non-Banking Financial Company.*

*Accrued interest on deposits and bonds were provided up to 31.03.2002 only in accordance with the scheme of restructure of the debts as sanctioned by the Honorable High Court of Karnataka.*



All the installment of repayments of deposits/bonds as per the scheme of High Court of Karnataka are due for payment on 15th September 2009 and 15th June 2009. The company stopped repayment of deposits/bonds on maturity dates till the sanction of restructure by the Honorable High Court of Karnataka on 8th October 2004. Now the company has started repayment of deposits/bonds under the sanctioned scheme and shortfall in repayment amounted to ₹. 4649.61 lakhs.

Provision has not been made in the accounts as required under RBI prudential Norms since 2000. The effect of non-provision is overstatement of assets by ₹.1868.99 Lakhs, and Understatement of loss by ₹.1868.99 Lakhs, including Short provision for diminution in the value of investments ₹.6.27 lakhs.

*In terms of direction issued by RBI*

- i. The company has not obtained Credit Rating.
- ii. The Capital adequacy is negative.
- iii. In view of negative net worth all lending and investments are in excess of credit concentration limit stipulated by Reserve Bank of India.
- iv The company has encased all the approved securities and utilized for repayment of deposits/bonds.

#### **Emphasis on Matters:**

Your kind attention is drawn to the following matters:

- i. Note 3.5 on Notes to accounts, the company is incurring losses since 2001 and its funds are blocked in non-performing assets. The assets of the company is completely eroded and net worth of the company is negative. The company has prepared its financial statement of accounts on a going concern basis as the management is off the view that it will be able to recover the dues from the borrowers/debtors and monitor the deficit in operation but we are unable to comment on the ultimate reliability of company's assets. These conditions indicate the existence of material uncertainty that may cast significant doubt about the companies ability to continue as a going concern.
- ii. Note 3.6 to Notes on Accounts, Provision has not been made in the accounts as required under RBI prudential Norms since 2000. The effect of non-provision is overstatement of assets by ₹.1868.99 Lakhs, and Understatement of loss by ₹ 868.99.including Short provision for diminution in the value of investments ₹.6.27Lakhs.
- iii. Note 3.7 to Notes on Accounts, Investment in shares includes 750000 equity shares of ₹.10 each in Bhooma Automobiles Ltd., sent for transfer in June 2012 is still pending for transfer in the name of the company. These shares were initially held by the company shown under investment and included in the list submitted to Honorable High Court of Karnataka in CP/37/2003. Subsequently these shares were sold, but ROC Karnataka objected for sale of these shares for not obtaining prior permission from Honorable High Court of Karnataka. Therefore the company repurchased these shares during 2012 and sent for transfer in the companies name. These shares are not available for physical verification. And company has invested 50,000 shares of ₹ 10/- each in Eldorado Investment Company Pvt. Ltd., a subsidiary company for a consideration of ₹ 9,50,000/-, share certificate not produced for verification.
- iv. No provision for Income tax liability against the order of the AO u/s 143(3) amounting to ₹.264.82 Lakhs in respect of following assessment years.
  - i. A.Y 1998 – 99 ₹.52.44 Lakhs against disallowance of depreciation on leased asset and not giving credit for Tax
  - ii. A.Y 1999 – 2000 ₹.85.80 Lakhs against disallowance of depreciation on Leased assets and Bad debts.
  - iii. A.Y 2000 – 01 ₹.126.58 Lakhs against disallowance of depreciation on Leased assets and Bad debts. These appeals are pending before CIT (A) for disposal.
- iv. Disputed sales tax amounting to ₹.17.54 lakhs in Andhra Pradesh pending for disposal Sales Tax Appellate Tribunal.

V. Note No 3.11 of Notes on account Un En-cashed cheques amounting to ₹.415.19 Lakhs being un encashed DD/Multi city cheques issued for repayment of deposits/Bonds in terms of the scheme which is included under other current liabilities.

### **Qualified Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, except for the effect/possible effect of the matters included in para the Basis for Qualified Opinion Paragraph and under Emphasis on matters reported above, to this report referred to in the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

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

8 As required by section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. *in our opinion, except the matters in para on emphasis matter reported above, and Basis for Qualified Opinion may have adverse effect on the functioning on the company,* aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With Respect to the adequacy of Internal financial controls over financial reporting of Company and the Operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. *Company has not appointed Internal Auditor as per the requirement of companies act 2013.*
- h. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company has disclosed the impact of pending litigations which would impact its financial position – refer to Note No 3.13 Notes to accounts.
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - (iii) As the entire deposit liability is covered under the scheme of arrangement transfer of matured deposit remaining unpaid for a period of exceeding 7 years to Investor Education and Protection Fund, the question of delay in transferring such sums does not arise
- i. An amount of ₹.6,90,028/- provided in the accounts towards delayed payment of interest under section 194 A of IT Act 1961, on repayment of deposits/bonds is liable for disallowance under 40 (a). (ia).

**For RAO & SWAMI**  
Chartered Accountants  
(Firm's Registration No.003105S)

**(P V Shenoy)**  
(Partner)  
(Membership No. 020205)

Place : Bengaluru  
Date : 30/05/2016

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPANY  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
  - (b) i. Fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
  - ii. Assets on lease have not been physically verified by the Management as most of the assets are under legal proceedings. Material discrepancies noticed on such verification have been properly dealt with in the books of account.
- (c) The title deeds of the immovable properties are in the name of the Company.
- (ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company (iii)
- (iii) The company has not granted any loans, during the year secured or unsecured to companies, firms, Limited liability Partnership or other parties covered in the register maintained under section 189 of the Act. *In respect of loans granted in earlier years the repayment of loans is not regular but the company has taken proper steps for recovery.*
- (iv) The Company has not made any Loans requiring compliance of section 185 of the Companies Act 2013 during the year. *In respect of an Investment of 50,000 equity shares of ₹.10/- each in Eldorado Investments Company (P) Ltd a subsidiary company for a sale consideration of ₹. 9,50,000/- compliance of Section 186 of the Companies Act 2013 is pending.*
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) Based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
  - (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes. Disputed income tax liability amounting to ₹.264.82 lakhs for the Assessment years 1998-99 to 2000-01 are pending before CIT (A) for disposal. This demand has raised on account of disallowance of depreciation on leased assets and bad debts. The said demand is adjusted against refund due to the company. Disputed sales tax amounting to ₹.17.54 lakhs in Andhra Pradesh pending for disposal Sales Tax Appellate Tribunal.
- (viii) The company has not borrowed loans from Banks financial institution, government authorities. In respect of Debenture interest accrued thereon up to 31.03.2002, the company is in the process repayment as per the scheme of compromise and arrangement sanctioned by the Honorable High Court of Karnataka dated 8th October 2004.
- (ix) The company has not raised money by way of Initial public offer /Further Public Offer (including debt Instrument) during the year.

- (x) No fraud on or by the Company was noticed or reported during the year under report
- (xi) The Managerial Remuneration paid to its Managing Director is within the limits specified under Section 197 read with Schedule V of the Companies Act.
- (xii) The Company is Not a Nidhi company and Nidhi rules 2015 is not applicable.
- (xiii) The Company has disclosed all transaction with the related parties are in compliance with section 177 and 188 of Companies Act 2013 were applicable and the details have been disclosed in the financial statements etc., as required by applicable accounting standards. *However in respect of Two Associate companies i.e Mangala Investment Limited and Rajmahal Hotels Ltd in-absence of documentary evidence we are unable to comment upon related party transactions entered in-respect of arm's length price.*
- (xiv) No private placement or preferential allotment of the shares or debentures were made during the year.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The certificate of registration granted to the company to act as Non-Banking Financial Company as per Section 45-IA of Reserve Bank of India Act, 1934, has been cancelled by an order dated 13th June 2002.

**For RAO & SWAMI**  
Chartered Accountants  
(Firm's Registration No.003105S)

Place : Bengaluru  
Date : 30/05/2016

**(P V Shenoy)**  
(Partner)  
(Membership No. 020205)

## **Annexure 'B' to the Auditors Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MAHA RASHTRA APEX CORPORATION LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For RAO & SWAMI**  
Chartered Accountants  
(Firm's Registration No.003105S)

Place : Bengaluru  
Date : 30/05/2016

**(P V Shenoy)**  
(Partner)  
(Membership No. 020205)



₹. in lakhs

BALANCE SHEET AS ON 31 <sup>st</sup> MARCH 2016			
Particulars	Note No.	Current Year 31-March-2016	Previous Year 31-March-2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders Funds</b>			
a) Share Capital	1	1442.74	1442.74
b) Reserves & Surplus	2	(8887.29)	(8863.90)
<b>2. Non-Current Liabilities</b>			
a) Other Long Term Liabilities	3(a)	664.60	651.26
b) Long-Term Provisions	3(b)	1262.28	1262.28
<b>3. Current Liabilities</b>			
a) Short term Borrowing	4(a)	0.00	867.83
b) Trade Payable	4(b)	12.28	11.61
c) Other Current Liabilities	4(c)	11400.09	12547.10
<b>TOTAL</b>		<b>5894.70</b>	<b>7918.92</b>
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>1. a) Fixed Assets</b>			
Tangible Assets	5(a)	126.52	130.23
(b) Non Current Investments	5(b)	2612.79	2598.47
(c) Long Term Loans & Advances	5(c)	1943.05	2223.52
(d) Other Non Current Assets	5(d)	2.20	2.20
<b>2. Current Assets</b>			
(a) Trade Receivables	6(a)	543.42	807.24
(b) Cash and Cash Equivalents	6(b)	348.64	1522.61
(c) Other Current Assets	6(c)	318.08	634.65
<b>TOTAL</b>		<b>5894.70</b>	<b>7918.92</b>
Significant Accounting Policies and Notes to Accounts	12		

The Notes are an integral part of these financial statements.

**S R Gowda**  
 Whole Time Director  
 DIN: 00046329

**K B Shetty**  
 Director  
 DIN: 01451944

Refer our Report of even date  
**For RAO & SWAMI,**  
 Chartered Accountants  
 Firm Registration No. 003105S

**S S Kamath**  
 Director  
 DIN: 01039656

**Jyothi V B**  
 Director  
 DIN: 07133349

**J M Panday**  
 Company Secretary

**P V Shenoy**  
 Partner  
 Membership No. 020205

Bengaluru  
 May 30, 2016

Bengaluru  
 May 30, 2016



₹ in lakhs

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 <sup>st</sup> MARCH 2016				
	Particulars	Note No.	Current Year 31-March-2016	Previous Year 31-March-2015
I.	<b>Revenue from Operations</b>	7	40.04	34.58
II.	Other Income	8	78.35	134.30
III.	<b>Total Revenue (I+II)</b>		<b>118.39</b>	<b>168.88</b>
IV.	<b>Expenses:</b>			
	Employee Benefits Expense	9(a)	71.77	71.18
	Finance Cost	9(b)	214.95	277.12
	Depreciation and amortisation expense	9(c)	3.61	4.03
	Other expenses	9(d)	72.78	61.31
	<b>Total Expenses</b>		<b>363.11</b>	<b>413.64</b>
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(244.72)	(244.76)
VI.	Exceptional Items —	10	523.15	40.74
VII.	Profit before extraordinary items and tax (V-VI)		(767.87)	(285.50)
VIII.	Extraordinary Items	11	744.48	247.71
IX.	Excess Depreciation Reversed		0.00	2.90
X.	<b>Profit before Tax (VII+VIII+IX)</b>		<b>(23.39)</b>	<b>(34.89)</b>
XI.	Tax Expense			
	(1) Current Tax		0.00	0.00
	(2) Deferred Tax		0.00	0.00
XII.	Profit (Loss) for the period from continuing operations		(23.39)	(34.89)
XIII.	<b>Profit (Loss) for the period</b>		<b>(23.39)</b>	<b>(34.89)</b>
XIV.	Earnings per equity share:			
	(1) Basic		(0.17)	(0.25)
	(2) Diluted		(0.17)	(0.25)
	Significant Accounting Policies and Notes to Accounts	12		

The Notes are an integral part of these financial statements

**S R Gowda**  
Whole Time Director  
DIN: 00046329

**K B Shetty**  
Director  
DIN: 01451944

**S S Kamath**  
Director  
DIN: 01039656  
Bengaluru  
May 30, 2016

**Jyothi V B**  
Director  
DIN: 07133349

**J M Panday**  
Company Secretary

Refer our Report of even date  
**For RAO & SWAMI,**  
Chartered Accountants  
Firm Registration No. 003105S

**P V Shenoy**  
Partner  
Membership No. 020205  
Bengaluru:  
May 30, 2016



₹ in lakhs

NOTES FORMING PART OF BALANCE SHEET AS ON 31 <sup>st</sup> MARCH 2016				
Particulars	Current Year 31-March-2016		Previous Year 31-March -2015	
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHARE HOLDERS FUNDS</b>				
<b>Note No.1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
20000000 Equity Shares of ₹10/- each	2000.00		2000.00	
20000000 Redeemable Cumulative Preference Shares of ₹10/- each (P.Y.2,00,00,000 Equity Shares of ₹10/- each & 2,00,00,000 Redeemable Cumulative Preference Shares of ₹10/- each)	2000.00	4000.00	2000.00	4000.00
<b>Issued :</b>				
14150100 Equity Shares of ₹ 10/- each	1415.01		1415.01	
1763500 17.50% Redeemable Cumulative Preference shares of ₹ 10/- each	176.35		176.35	
6236500 14% Redeemable Cumulative Preference Shares of ₹ 10/- each	623.65	2215.01	623.65	2215.01
<b>Subscribed and Fully Paid-up :</b>				
14150100 Equity Shares of ₹ 10// each fully Called-Up (P.Y.14150100 Equity Shares of ₹ 10/- each fully Called-Up)	1415.01		1415.01	
Less: Calls Unpaid:				
Directors /Officers	Nil		Nil	
Others	3.89	1411.12	3.89	1411.12
316200 14% Redeemable Cumulative Preference shares of ₹10/- each		31.62		31.62
<b>TOTAL</b>		<b>1442.74</b>		<b>1442.74</b>

- (i) 11667 Equity Shares of ₹ 10/- each were allotted as fully paid pursuant to terms of amalgamation without payment being received in cash  
(ii) 400000 Equity Shares of ₹ 10/- each allotted as fully paid bonus shares on capitalisation of Reserves  
(iii) 408240 Equity Shares of ₹10/- each allotted as fully paid bonus shares on capitalisation of Share Premium account

Particulars	As at 31-March-2016		As at 31-March-2015	
Reconciliation of Number of Shares	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares:</b>				
Balance at the Beginning of the year	14150100	1411.12	14150100	1411.12
Add: Shares Issued during the year	Nil	0.00	Nil	0.00
Balance at the end of the year	14150100	1411.12	14150100	1411.12
<b>Preference Shares</b>				
<b>14% Redemable Cumulative Preference Shares:</b>				
Balance at the Beginning of the year	316200	31.62	316200	31.62
Add: Shares Issued during the year	Nil	0.00	Nil	0.00
Balance at the end of the year	316200	31.62	316200	31.62



**Rights, Preferences and restrictions attached to shares:**

**Equity Shares:** The equity shares have a par value of ₹10 per share. Each shareholder is eligible for one vote per each share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the 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 including payment to the preference shareholders) in proportion to their shareholding.

**Preference Shares:**

Redeemable Cumulative Preference Shares shall be redeemable after expiry of 5 years from the date of allotment. The shares are entitled for preferential right over dividend (before the equity share holders) at the rate 14% which is to be proposed by the Board of Directors and subject to approval of shareholders in the ensuing annual general meeting. However the shares are Cumulative Preference Share and therefore the Shareholders are entitled to carry forward the dividend of a year to the forth coming year/s in case the same is not declared in a year. In the event of liquidation such shareholders are eligible to receive the face value along with cumulative dividend (after distribution of all preferential amount) before the distribution of assets to the equity share holders. In case the assets are not sufficient to cover up the face value, then the same will be distributed in proportion to their shareholding if the surplus available, after distribution of all preferential amount.

**List of share holders holding more than 5% of the total number of shares Issued by the company**

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Percentage	Number of shares	Percentage
<b>Equity Shares:</b>				
M/s Manipal Holdings (P) Ltd	2488875	17.59%	2488875	17.59%
Mrs Jaya S Pai	2127365	15.03%	2127365	15.03%
M/s Chitrakala Investment Trade & Business Finance Ltd.	906297	6.40%	906297	6.40%
M/s Metropolis Builders (P) Ltd.	1362743	9.63%	1354643	9.57%
<b>Preference Shares</b>				
General Investment & Commercial Corporation Ltd.	20100	6.36%	20100	6.36%

₹ in lakhs

Particulars	Current Year 31-March-2016		Previous Year 31-March-2015	
<b>Note No. 2</b>				
<b>RESERVES &amp; SURPLUS</b>				
Capital Reserve		1.03		1.03
Capital Redemption Reserve		176.35		176.35
[Redemption of 17.5% RCP Shares]				
Securities Premium Reserve		997.49		997.49
General Reserve		218.61		218.61
Special Reserve		159.52		159.52
[Pursuant to RBI (Amendment) Act, 1997]				
Surplus Statement of Profit & Loss				
Profit/Loss from Previous Year	(10416.90)		(10377.48)	
Adjustment against Retained Earnings	0.00		(4.53)	
Profit/Loss for the Current Year	(23.39)	(10440.29)	(34.89)	(10416.90)
<b>TOTAL</b>		<b>(8887.29)</b>		<b>(8863.90)</b>



₹ in lakhs

	Particulars	Current Year 31-March-2016	Previous Year 31-March-2015
2.	<b>NON-CURRENT LIABILITIES</b>		
	<b>Note No. 3(a)</b>		
	<b>OTHER LONG TERM LIABILITIES</b>		
	Amount due to Subsidiaries	218.07	204.73
	Lease Security Deposits	446.53	446.53
	<b>TOTAL</b>	<b>664.60</b>	<b>651.26</b>
	<b>Note No. 3(b)</b>		
	<b>LONG TERM PROVISIONS</b>		
	Others		
	For Non-performing Assets	1262.28	1262.28
	<b>TOTAL</b>	<b>1262.28</b>	<b>1262.28</b>
3.	<b>CURRENT LIABILITIES</b>		
	<b>Note No. 4(a)</b>		
	<b>Short term Borrowings</b>		
	Current account overdrawn Balance	0.00	867.83
	<b>TOTAL</b>	<b>0.00</b>	<b>867.83</b>
	<b>Note No. 4(b)</b>		
	<b>TRADE PAYABLES</b>		
	H.P and other Creditors	12.28	11.61
	<b>TOTAL</b>	<b>12.28</b>	<b>11.61</b>
	<b>Note No. 4(c)</b>		
	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Secured</b>		
	Unpaid Creditors being outstanding		
	Bonds/Deposits with interest	4567.74	5438.16
	Deposit/Bonds with interest less than ₹ 5000/-*	81.87	116.56
	Delayed period interest on Deposit	2442.59	2643.02
	(Secured by first charge on Co's financial assets book debts & receivables)		
	<b>Unsecured:</b>		
	Inter Corporate Deposits	561.81	561.81
	Rent Security Deposit	6.60	5.28
	TDS for Payments made 2015-2016	0.37	0.36
	Liabilities for Expenses	21.27	14.91
	Cheque issued for repayment of Deposit/Bonds pending realisation	415.19	460.38
	Earnest Money Deposit	3300.00	3300.00
	Other Advances	0.40	0.46
	Collection and other Accounts	0.62	0.94
	Other Payables	1.63	5.22
	<b>TOTAL</b>	<b>11400.09</b>	<b>12547.10</b>
	*( Refer to Notes to Accounts 3.1 (d)		



**Note No. 5 (a)**  
**FIXED ASSETS**  
**i) Tangible Assets**

₹ in lakhs

	Gross Block (At Cost)						Depreciation				Lease Terminal Adjustment		Net Block		
	As on 01.04.2015	Additions	On Assets Sold	Deductions	Impairment Loss	As on 31.03.2016	Upto 31.03.2015	for the period	On Assets Sold	Deductions	Upto 31.03.2016	For the year	Previous year	As On 31.03.2016	As On 31.03.2015
COMPANY ASSETS :															
Land	37.34	0.00	0.00	0.00	0.00	37.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.34	37.34
Buildings	131.72	0.00	0.00	0.00	0.00	131.72	51.96	1.90	0.00	0.00	53.86	0.00	0.00	77.86	79.76
Office Furniture & Equipments	88.99	0.31	2.31	4.82	0.26	81.91	77.94	1.01	2.16	4.82	71.97	0.00	0.00	9.94	11.05
Motor Cars & Other Vehicles	7.17	0.00	0.27	0.00	0.00	6.90	5.09	0.70	0.27	0.00	5.52	0.00	0.00	1.38	2.08
TOTAL	265.22	0.31	2.58	4.82	0.26	257.87	134.99	3.61	2.43	4.82	131.35	0.00	0.00	126.52	130.23
ASSETS ON LEASE :															
Plant & Machinery	708.63	0.00	0.00	0.00	0.00	708.63	708.63	0.00	0.00	0.00	708.63	0.00	0.00	0.00	0.00
Motor Vehicles	5.11	0.00	0.00	0.00	0.00	5.11	5.11	0.00	0.00	0.00	5.11	0.00	0.00	0.00	0.00
Gas Cylinders	3.20	0.00	0.00	0.00	0.00	3.20	3.20	0.00	0.00	0.00	3.20	0.00	0.00	0.00	0.00
Furniture	15.74	0.00	0.00	0.00	0.00	15.74	15.74	0.00	0.00	0.00	15.74	0.00	0.00	0.00	0.00
TOTAL	732.68	0.00	0.00	0.00	0.00	732.68	732.68	0.00	0.00	0.00	732.68	0.00	0.00	0.00	0.00
GRAND TOTAL	997.90	0.31	2.58	4.82	0.26	990.55	867.67	3.61	2.43	4.82	864.03	0.00	0.00	126.52	130.23



₹ in lakhs

Particulars	Current Year 31-March-2016		Previous Year 31-March-2015	
<b>Note No. 5(b)</b>				
<b>NON CURRENT INVESTMENTS</b>				
<b>i) Investment in Property</b>				
Investment in Land in satisfaction of debt		9.83		5.01
<b>INVESTMENTS IN EQUITY INSTRUMENTS</b>				
<b>Long term at cost</b>				
<b>ii) Quoted Equity Shares :</b>				
20000 Voltas Limited shares of ₹1/- each	2.92		2.92	
22000 TATA Power Company Limited shares of ₹1/- each	2.62		2.62	
9655 HDFC Bank Shares of ₹2/- each	6.84		6.84	
		12.38		12.38
<b>iii) Unquoted Equity Shares Others</b>				
16000 I C D S Ltd. shares of ₹ 10/- each	6.59		6.59	
3000 General Investment & Commercial Corporation Ltd. shares of ₹10/- each	0.30		0.30	
2000 Shamrao Vithal Co-operative Bank Ltd. shares of ₹ 25/- each	0.50		0.50	
200000 Manipal Motors (P) Ltd. Shares of ₹10/- each	20.00		20.00	
4000 MPL Enterprises Ltd. Shares of ₹10/- each	1.65		1.65	
750000 Bhooma Automobiles (P) Ltd. shares of ₹ 10/- each	75.00		75.00	
		104.04		104.04
<b>iv) Investment in Associates</b>				
Unquoted Equity Shares				
5693020 Kurlon Limited shares of ₹ 10/- each	1726.06		1726.06	
36368 Rajmahal Hotels Ltd. Shares of ₹ 10/- each	0.76		0.76	
58436 Mangala Investments Ltd. Shares of ₹ 10/- each	1.50		1.50	
1395000 Manipal Home Finance Ltd. Shares of ₹10/- each	139.77		139.77	
33990 Manipal Springs Ltd. Shares of ₹100/- each	34.16		34.16	
		1902.25		1902.25
<b>v) Unquoted Equity Shares of Subsidiaries:</b>				
5025100 Maharashtra Apex Asset Management Co. Ltd. shares of ₹ 10/- each	502.51		502.51	
810000 Eldorado Investments Co. (P) Ltd. shares of ₹ 10/- each	85.63		76.13	
1799950 Crimson Estates & Properties Pvt. Ltd. shares of ₹ 10/- each	180.30		180.30	
		768.44		758.94

₹ in lakhs

Particulars	Current Year 31-March-2016		Previous Year 31-March-2015	
<b>vi) Investment in Government or Trust Securities</b>				
6 year National Savings Certificate at cost		0.14		0.14
349608.79 Units of UTI - Bluechip Flexicap Fund (Div) of ₹10 each	14.41		14.41	
6500 units of UTI - Mastershare (Div) of ₹10/- each	0.92	15.33	0.92	15.33
<b>vii) Investment in Debentures or Bonds</b>				
Unquoted Debentures				
750 Jay Rapid Roller Limited Debentures of ₹1000/- each		7.50		7.50
<b>viii) Investment in Mutual Funds:</b>				
54001.28 Franklin Tempelton India - Balanced (Growth) @ 15.62 each		8.43		8.43
(Total Market Value of Shares, Debentures, Trustee Securities & Mutual Funds ₹ 291.79 lakhs) (Previous Year ₹ 297.88 lakhs)				
<b>Sub Total</b>		<b>2828.34</b>		<b>2814.02</b>
Less: Demuntion In the value of Investment		215.55		215.55
<b>TOTAL</b>		<b>2612.79</b>		<b>2598.47</b>
<b>Note No. 5 (c )</b>				
<b>LONG TERM LOANS &amp; ADVANCES</b>				
<b>i) Related Party Advances</b>				
<b>Amount due from Fellow Subsidiaries</b>				
Others (Unsecured) -Dagny Investments Pvt. Limited		0.56		0.56
<b>ii) Other Loans and Advances</b>				
<b>CONSIDERED GOOD :</b>				
<b>Secured :</b>				
Demand Loans		314.88		392.81
Advance Income-Tax and TDS-Net of Provision		326.38		325.25
Advance Fringe Benifit Tax (Net of Provision)		0.50		0.50
Other Deposits		22.14		21.43
Other Loans and Advances		86.83		86.89
<b>Unsecured :</b>				
Demand Loans		1071.86		1267.75
Bills Discounted		119.90		128.33
<b>TOTAL</b>		<b>1943.05</b>		<b>2223.52</b>





₹ in lakhs

Particulars	Current Year 31 March 2016		Previous Year 31 March 2015	
<b>Note No. 5 (d)</b> <b>OTHER NON CURRENT ASSETS</b> Term Deposits with banks with maturity period beyond 12 months (Given as security for Bank Guarantee in favour of Sales Tax Authorities.)		2.20		2.20
<b>2. CURRENT ASSETS</b>				
<b>Note No. 6 (a)</b> <b>TRADE RECEIVABLES</b> Unsecured and Considered Good : - Due for more than 6 months Motor Vehicles/Machineries given on Hire Purchase contract [at agreement value less amount received, unexpired & unearned Finance Charges and Insurance & Taxes for the future period] Commission and Rent Receivable - Due for more than 6 months - Less than 6 months	145.02 6.98	391.42 152.00	145.00 0.08	662.16 145.08
<b>TOTAL</b>		<b>543.42</b>		<b>807.24</b>
<b>Note No. 6 (b)</b> <b>CASH AND CASH EQUIVALENTS</b> <b>Balances with Banks</b> With Scheduled Banks in Current accounts With Scheduled Banks in Deposit accounts Cash in hand Stamps in hand Stock of Stationery on hand at cost		59.51 285.00 3.14 0.41 0.58		32.39 1484.05 5.50 0.13 0.54
<b>TOTAL</b>		<b>348.64</b>		<b>1522.61</b>
<b>Note No. 6(c)</b> <b>OTHER CURRENT ASSETS</b> Interest accrued on Investments Other Receivables.		10.01 308.07		20.09 614.56
<b>TOTAL</b>		<b>318.08</b>		<b>634.65</b>
<b>Note No. 7</b> <b>REVENUE FROM OPERATIONS</b> Income from Hire Purchase, Lease, Loans & Advances Lodging Business [Tax Deducted at Source ₹ 1,05,000/- Previous Year - Nil]		29.54 10.50		27.10 7.48
<b>TOTAL</b>		<b>40.04</b>		<b>34.58</b>



₹ in lakhs

Particulars	Current Year 31-March-2016		Previous Year 31-March-2015	
<b>Note No. 8</b>				
<b>OTHER INCOME</b>				
Int. Received on Bank Deposit [Tax Deducted at Source ₹ 6,47,887/- Previous Year ₹ 8,38,102-]		64.83		83.84
Other Interest Earned [Int. on Electricity Deposit ₹ 6,630/- Tax Deducted at Source ₹ 663/-]		1.17		0.12
Miscellaneous Receipts		2.71		1.93
Service Charges [Tax Deducted at Source ₹ 14,260/- Previous Year ₹ 18,705/-]		1.27		1.26
Income from House Property		4.90		3.89
Dividend Income : Long Term: - Others		1.83		9.48
Income from Profession [Tax Deducted at Source ₹ 15,375/- Previous Year ₹ 61,500/-]		1.54		6.15
Profit/loss on sale of assets		-0.06		0.45
Sale of scrap papers		0.16		0.00
Lease Equalisation		0.00		27.18
<b>TOTAL</b>		<b>78.35</b>		<b>134.30</b>
<b>EXPENSES</b>				
<b>Note No. 9 (a)</b>				
<b>EMPLOYEE BENEFITS EXPENSE</b>				
Salaries & Bonus		61.63		54.64
Contribution to P F and other Funds		6.03		6.40
Gratuity		0.13		6.74
LC Premium & Service Tax on Gratuity		0.05		0.05
Staff Welfare Cost :				
- Staff Welfare Expenses	1.60		1.83	
- Group Insurance Paid	0.79		0.80	
- Staff Medical Expenses	1.54	3.93	0.72	3.35
<b>TOTAL</b>		<b>71.77</b>		<b>71.18</b>
<b>Note No. 9 (b)</b>				
<b>FINANCE COST</b>				
Others		<b>214.95</b>		<b>277.12</b>
<b>Note No. 9 (c)</b>				
Depreciation and Amortisation Expenses		<b>3.61</b>		<b>4.03</b>



₹ in lakhs

Particulars	Current Year 31-March-2016		Previous Year 31-March-2015	
<b>Note No. 9 (d)</b>				
<b>Other Expenses</b>				
Printing and Stationery		1.88		1.38
Postage and Telephones		5.16		2.76
Computers and other Advisory Services		7.48		5.32
Directors - Sitting Fees		0.36		0.00
Directors - Travelling		0.06		0.00
Filing Fees		0.19		0.14
General Charges		11.60		10.23
Fire and other Insurance Premium		0.29		0.27
Newspapers, Books & Periodicals		0.15		0.18
Remuneration to Auditors :				
- Audit Fees	1.80		1.80	
- Certification Charges	0.40		0.40	
- Out of Pocket Expenses	0.35	2.55	0.30	2.50
Rent		7.08		4.47
Taxes and Licence		1.61		1.44
Luxury Tax		0.48		0.00
Service Tax		2.82		2.26
Value Added Tax		0.04		0.30
Travelling Expenditure		2.69		2.67
Legal Expenses		10.18		11.68
Advertisement Charges		2.70		2.65
Bank Charges		0.35		0.26
Electricity Charges		1.58		1.93
Repairs to Buildings		11.20		8.21
Other Repairs & Maintenance		1.05		1.02
Vehicle Maintenance		1.28		1.47
Commission Expenses - Recovery		0.00		0.17
<b>TOTAL</b>		<b>72.78</b>		<b>61.31</b>
<b>Note No. 10</b>				
<b>Exceptional items</b>				
Impairment Loss		0.26		40.24
(i) Exceptional Expenses:				
Bad Debts Written off		653.87		34.00
		654.13		74.24
Less:				
(ii) Exceptional Income:				
Bad Debts Recovered		130.98		33.50
<b>TOTAL</b>		<b>523.15</b>		<b>40.74</b>

The company has discontinued hire purchase and leasing business and concentrating mainly on recovery of dues and repayment of debts. The income of the company depends on recoveries made during the year varies from year to year. Therefore Bad debts recovered and written off are shown under exceptional items.

**Note No. 11**
**Extraordinary items**

Interest Remission from Bonds/Deposits

**744.48**
**247.71**

The company has discontinued hire purchase and Leasing Business and concentrating mainly on recovery of dues and repayment of debts. The income of the company depends on recoveries made during the year varies from year to year. Interest accrued on deposits and bonds up to 31-3-2002 on full and final settlement during the year and interest @ 6% p.a. on delay in payment of installments as per scheme of Compromise and Arrangement sanctioned by the High Court of Karnataka under sections 391 to 394 of the Companies Act, 1956 vide its Order dated 8th October, 2004 is recognized under extraordinary item.

**NOTE NO 12.**
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016:**
**SIGNIFICANT ACCOUNTING POLICIES:**
**1. Corporate Information:**

Maha Rashtra Apex Corporation Ltd., is a public limited company domiciled in India registered under the provision of Companies Act 1913. The main object of the company is to carry on the business of hire purchase and leasing. Presently the company has discontinued the operation and concentrated the recovery of Hire purchase and Leasing business. The registered office of the company is situated at Bangalore, Karnataka, India. The company has listed in BSE & NSE stock exchange.

**1.1. Basis of preparation of accounts**

These Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India, including the mandatory Accounting standards as prescribed under section 133 of the companies Act, read with rule 7 of the Companies (Accounts) rules 2014, the provisions of the Act (to the extent notified) under the relevant Provisions of the Companies Act 2013. These Financial Statements are prepared under historical cost convention on accrual basis except in respect of revenue from hire purchase and leasing and finance activities.

**2. Significant Accounting Policies**
**2.1. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make Judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the accounting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates.

## **2.2. Fixed Assets:**

### **i) Owned Assets (Tangible)**

Tangible Assets held for own use are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation less impairment loss, if any.

### **ii) Leased Assets:**

Assets under operating lease are stated at Original Cost less accumulated depreciation, less Lease Terminal Adjustment wherever applicable.

## **2.3. Depreciation and amortization:**

Depreciation on fixed assets is charged in the accounts based on useful life of the assets as prescribed in schedule II of the companies Act 2013. On assets under operating lease where Lease period has expired no depreciation is charged in the accounts on these assets.

## **2.4. Impairment**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment Loss is charged to Profit and Loss statement in the year in which an asset is identified as impaired.

## **2.5. Investments:**

Non-Current Investments are carried at cost. Provision for Diminution in the value of these investments other than temporary in nature is reduced from the value of Long term Investments.

## **2.6. Current Assets:**

Stock on Hire is valued at agreement value, less amount received, unrealized & un-matured finance charges and future taxes & insurance.

## **2.7. Revenue Recognition:**

Income from Suit-filed Accounts and Non-Performing Assets, Overdue Compensation, Interest on Debentures are recognized on receipt basis. Company has not followed prudential norms for income recognition as prescribed by Reserve Bank of India for Non-Banking Financial Companies. Lease equalization is computed in accordance with Guidance note on Accounting for leases issued by ICAI. The company has not entered into any new lease transactions after the effective date of Guidance note on Accounting for leases.

Other revenues are recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

Interest accrued on deposits and bonds up to 31-3-2002 on full and final settlement during the year is recognized under interest remission in Profit and Loss statement.

Dividend income is recognized in the year in which the right to receive is established.

## **2.8. Employee Benefits:**

### **Short-Term Employee Benefits:**

All benefits such as salaries, wages, Bonus as per Bonus Act 1965 & ex-gratia leave travel allowance short term compensated absences, etc . which are payable within twelve months of rendering the service are classified as Short-Term Employee benefits and are recognized in the period in which the employees renders related service.

### **Post Employment Benefits:**

#### **Defined Contribution Plan:**

The company contributes to state governed Provident Fund Scheme. Under the said scheme, contributions are recognized during the period in which the employees render related service.

#### **Defined Benefit Plans:**

The company contributes to LIC Group Gratuity Fund. The company relies on the actuarial valuation made by an Actuary using Projected Unit Credit Method for measurement of obligation towards Post-Employment Benefits under Defined Benefit Plans such as Gratuity. Actuarial gains or losses are recognized in the Statement of Profit & Loss.

#### **Other Long Term Benefits:**

Long term benefits such as earned leave are determined based on the actual leave accumulated at the end of the year. Provision is made as per actuarial valuation by an independent actuary.

### **2.9. Borrowing Costs:**

Interest costs are charged to revenue except interest not accounted for as per **Note 3.1 (a). Interest costs have been provided for the year as per Note-3.1(g).**

### **2.10. Taxes on Income:**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of assessment/appeals before various Appellate Authorities.

Deferred Tax are not recognized in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **2.11. Provisions, Contingent Liability and Contingent Asset:**

Provision is recognized in the accounts when there is a present obligation as a results of past events and it is Probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. Contingent Liabilities if any are disclosed by way of Notes on Accounts. **(Refer Other Disclosure 3.13 below)**

## **3. NOTES TO ACCOUNTS:**

### **3.1. Scheme of Compromise and Arrangement:**

The salient features of the scheme of Compromise and Arrangement sanctioned by the High Court of Karnataka under sections 391 to 394 of the Companies Act, 1956 vide its Order dated 8th October, 2004 and filed with the Registrar of Companies, Karnataka on 15th December 2004 with its effective date is as under:

- a) No interest shall accrue or be payable on the bonds/deposits maturing on or after 1st April, 2002 and remaining unpaid/outstanding as on 31.3.2002
- b) Bonds/deposits matured prior to 31st March, 2002 and remaining unclaimed shall be repaid with interest upto the date of maturity and Bonds/deposits accepted/renewed in between 1st April, 2002 and 15th April, 2002 shall be repaid without any interest, on receipt of the claim from the holders thereof.
- c) Any loans/advances granted to any bond/deposit holders shall be set off/adjusted against the deposits/ bonds and the outstanding debts payable by the Company shall be reduced accordingly .

- d) All deposits and bonds of the face value of ₹5,000/- and less shall be paid within six months from the date of order in one installment with interest accrued upto 31st March, 2002
  - e) Deposits/ bondholders receiving interest at monthly/quarterly rests shall be paid the face value in 20 equal quarterly installments.
  - f) Outstanding deposits/bonds other than those stated in para d & e above shall be paid as follows:
    - i) 15% of the face value on or before the expiry of 6th month of the Effective date
    - ii) 20% of the face value on or before the expiry of the 18th month of the Effective date
    - iii) 25% of the face value on or before the expiry of the 30th month of the Effective date
    - iv) 20% of the face value on or before the expiry of the 42nd month of the Effective date
    - v) Balance 20% of the face value and interest payable upto 31st March 2002 on or before the expiry of the 54th month of the Effective date against the surrender of the bond/deposit certificates.
  - g) For delay in payment of installments interest shall be paid @ 6% p.a.
  - h) Upon the Scheme becoming effective, all Trust Deeds executed between the Company and Trustees for Bond holders shall be and deemed to be cancelled.
  - i) Upon the Scheme becoming effective, the General Investment and Commercial Corporation Limited shall act as trustees for unpaid creditors in respect of outstanding bonds/deposits and such outstanding bonds/deposits shall be secured by first charge on company's financial assets, book debts and receivables.
  - J) The Company shall not carry on the business as a non-banking financial company without the prior permission of the RBI.
- 3.2.** All the Installments as per the scheme in respect of Note 1 (e) and Note 1 (f) have fallen due on 15th Sept., 2009 and 15th June, 2009 respectively. The shortfall in repayment as per the scheme up-to 31st March, 2016 amounts to ₹4649.61 lakhs, (Up to Previous year ₹5554.72 lakhs).
- 3.3.** There are no deposits matured and remaining unpaid for a period of 7 years during the year ended 31.03.2016. The transfer of unclaimed matured deposits to Investor Protection Fund does not arise in view of the entire deposit liability being covered under the scheme of arrangement.
- 3.4.** The Property at Jai Bharath Industrial Estate, Jalahalli Camp Road, Yashanthpur Bangalore was let out to Kurlon Ltd. This property was auctioned by the Karnataka High court on 20/04/2012. M/s Kurlon Ltd. was the highest bidder and the Court permitted them to pay the auction price in installments. Vide letter dated 5/4/2013 M/s Kurlon Ltd. requested the company for waiver of rent from 1/4/2013 in view of substantial payment of purchase price for which the company agreed. Confirmation of sale is pending before honorable High Court of Karnataka.
- 3.5.** Though the Company is incurring losses since 2001 and its funds are blocked in non-performing assets, it has prepared the accounts ongoing concern basis as the management is of the view that the company will be able to recover the dues from most of the borrowers/debtors and monitor effectively the deficit in operations.

- 3.6.** The company has not made the provisions as required under the RBI Prudential Norms after 1st April, 2000. When compared to the previous year, the reduction in total provision required at the end of the year is:

	₹ in lakhs
Provision for Non-Performing Assets	... (-)770.34
Provision for Diminution in the value of Investments	... (-)6.27
De-recognition of Income on Non-Performing Assets	... (-)83.93
Total Short Provision	... 1868.99

- 3.7. Land** includes agricultural land of the book value of ₹ 0.10 lakhs acquired in 1963 in satisfaction of debt. The Company has claimed compensation in respect of the said property. But as the compensation is not yet determined, the profit or loss is not adjusted in the accounts.

**Investment** includes Land acquired in satisfaction of debt of ₹9.83 lakhs. (previous year ₹5.01 lakhs).

**Investments** include; NSC of ₹ 0.14 lakhs given as security for Sales Tax.

**Term Deposits** with Banks include ₹ 2.20 lakhs given as security for Bank Guarantee in favour of Sales Tax Authorities.

**750000 equity shares** of ₹10 each in Bhooma Automobiles Ltd., sent for transfer in June 2012 is still pending for transfer in the name of the company. These shares were initially held by the company shown under investment and included in the list submitted to Honorable High Court of Karnataka in CP/37/2003. Subsequently these shares were sold, but ROC Karnataka objected for sale of these shares for not obtaining prior permission from Honorable High Court of Karnataka. Therefore the company repurchased these shares during 2012 and sent for transfer in the companies name.

During the year the company has invested 50,000 shares of ₹10/- each in M/s Eldorado Investments Company (P) Ltd., a subsidiary company for a sale consideration of ₹.9,50,000/-.

### 3.8. Depreciation on Fixed Asset

Company has applied the estimated useful lives as specified in schedule II of companies act 2013. Depreciation is Charged in the accounts as under :

Sl No	Nature of Assets	Method of Depreciation
1.	Building Prior to 1/4/1991	WDV
	Building After 1/4/1991	SLM
2.	Computers	SLM
3	Furniture and Fittings	SLM
4	Plant and Machinery	SLM
5.	Vehicles	SLM

### 3.9. Impairment of Assets

As per estimation of management impairment losses on fixed asset were recognized in the current year which is charged to the Profit and loss account under exceptional items in respect of owned Asset ₹ 0.26 lakhs



### 3.10. Current Assets and Loans & Advances :

The Loans and Advances and Sundry Debtors are subject to confirmation.

a) Loans and Advance include;

(i) Due from the Officers of the Company ₹1.32 lakhs (P.Y. ₹ 0.54 lakhs),

### 3.11. Current Liability

Other Current Liabilities includes ₹415.19 lakhs, being un-en-cashed DD/multi-city cheques issued for repayment of deposits/bonds in terms of the scheme.

### 3.12. Disclosures of Related Party Transaction:

1) Name of the related parties with whom transactions were carried out during the year and description of relationship:

i) Subsidiary:

- a. Maharashtra Apex Asset Management Co. Ltd .
- b. Crimson Estates & Properties Pvt. Ltd.
- c. Eldorado Investments Co. Pvt. Ltd.

ii) Associates

- a. Kurlon Ltd.
- b. Manipal Home finance Ltd.,
- c. Mangala Investment Ltd.,
- d. Rajmahal Hotels Ltd.,
- e. Manipal Springs Ltd.

₹ in lakhs

Nature of Transactions		Subsidiary company		Associate Company		Transaction with Key management personnel		Other Related Parties		Total	
		Transaction Value	Outstanding Balance	Transaction Value	Outstanding Balance	Transaction Value	Outstanding Balance	Transaction Value	Outstanding Balance	Transaction Value	Outstanding Balance
Loans and Advance given and Recovered	2016	(13.33)	(218.06)	(0.09)	671.25	Nil	Nil	(5.69)	289.00	(19.11)	742.19
	2015	(31.12)	(204.73)	(4.17)	671.34	Nil	Nil	2.85	294.69	(32.44)	761.30
Advance Received for Purchase of Property.	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2012.22	Nil	2012.22
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2012.22	Nil	2012.22
Rent Received	2016	Nil	Nil	0.03	Nil	Nil	Nil	Nil	Nil	0.03	Nil
	2015	Nil	Nil	0.03	Nil	Nil	Nil	Nil	Nil	0.03	Nil
Remuneration to Whole Time Director	2016	Nil	Nil	Nil	Nil	3.45	0.48	Nil	Nil	3.45	0.48
	2015	Nil	Nil	Nil	Nil	1.11	Nil	Nil	Nil	1.11	Nil
Expenses	2016	Nil	Nil	0.09	Nil	Nil	Nil	Nil	Nil	0.09	Nil
	2015	Nil	Nil	0.09	Nil	Nil	Nil	Nil	Nil	0.09	Nil

**Related Party Transactions Details:**

## 1. Loans and Advance given and Recovered :

(Amount in Lakhs)

Name of the party	Transaction Value – During the Year		Outstanding Value –Closing value	
	2016	2015	2016	2015
CCI Ltd	Nil	Nil	288.37	288.37
CCI Ltd – Sundry	(5.69)	2.85	0.07	5.76
Maharashtra Apex Asset Management Company Ltd.,	0.04	(17.95)	(120.63)	(120.67)
Crimson Estate & Properties Pvt. Ltd.	(11.67)	(7.25)	(66.33)	(54.66)
Eldorado Investment Co. Pvt. Ltd.	(1.70)	(5.92)	(31.10)	(29.40)
Mangala Investment Ltd.	(0.09)	(0.09)	61.29	61.38
Dagny Investment Pvt. Ltd.	Nil	Nil	0.56	0.56
Manipal Springs Ltd.,	Nil	(4.08)	609.96	609.96

## 2. Advance Received for Purchase of Property.

Name of the party	Transaction Value		Outstanding Value	
	2016	2015	2016	2015
Kurlon Ltd.	Nil	Nil	2012.22	2012.22

## 3. Rent Recieved

Name of the party	Transaction Value		Outstanding Value	
	2016	2015	2016	2015
Mangala Investment Ltd.	0.02	0.02	Nil	Nil
Rajmahal Hotels Ltd.,	0.01	0.01	Nil	Nil

## 4. Remuneration to Whole Ttime Director

Name of the party	Transaction Value		Outstanding Value	
	2016	2015	2016	2015
Sri S.R Gowda	3.45	1.11	0.48	Nil

In accordance with the provision of schedule - V of Companies Act - 2013

## 5. Expenses

Name of the party	Transaction Value		Outstanding Value	
	2016	2015	2016	2015
Mangala Investment Ltd.	0.09	0.09	Nil	Nil

**3.13. Contingent Liabilities**

- Suits against the Company for damages not acknowledged as debt ₹0.28 lakhs.
- No Provision is made in the books for disputed Income Tax Liability for the Assessment years 1998-99, 1999-2000 and 2000-01 aggregating ₹. 264.82 lakhs as the appeals filed by the company are pending disposal before the CIT(A). The disputed tax has been adjusted by the Department out of refund due. The company is of view that No provision is considered

necessary in view of the appeals are pending before are Higher Appellate authorities and confident of winning the appeals successfully in favour of the company. From the Income tax returns filed by the company for the past years Tax deducted at source is due for refund to the company by Income tax department the company is making efforts to get the refund.

- c) No provision is made in the books of account for disputed Sales tax liability amounting to ₹17.54 lakhs for the Assessment years 1995-96 to 1996-97 as the appeals filed by the company are pending disposal.
- d) Arrears of Cumulative Fixed Dividend from 31.03.2001 to maturity date for redemption amounts to ₹17.14 lakhs.

### 3.14 Employee Benefits: AS 15

#### a) Overview of Employees Benefits:

The compensation to employees for services rendered are as follows:

- (i) Salaries and Wages including compensated absences. Compensated absences such as eligibility towards earned leave are allowed to be accumulated as per company's rule  
Such earned leave can be encashed.
- (ii) Bonus as per the Bonus Act, 1965 and ex-gratia in lieu of bonus to those employees who are not covered under the Bonus Act.
- (iii) Contributions under defined contribution plans such as Provident Fund as per Employees Provident and Miscellaneous Provisions Act, etc.
- (iv) Defined Benefit Plans such as Gratuity on cessation of employment. The Company has taken a Master Policy from LIC to fund this defined benefit obligation.
- (v) Other employee benefits such as leave travel allowance.
- (vi) The company has valued the liability in respect of Leave encashment as per actuarial valuation.

The above benefits are subject to eligibility and other criteria as per company's rules.

#### b) Recognition and Measurement:

- i. Employee benefits are recognised on accrual basis. Liability to compensated absence such as leave encashment are determined by multiplying the actual leave accumulated at the end of the year by the applicable component of salary.
- ii. Liability to defined benefit plan viz. Gratuity are valued on actuarial basis under Projected Unit Credit Method. by LIC.
- iii. Liability under defined contribution schemes such as contribution to Provident Fund ES etc are measured based on the contribution due for the year.
- iv. Leave Travel Allowance is recognized based on claim. The un-availed allowance is not recognized as in the opinion of the management; the same will not be material.
- v. Leave Encashment is recognized as per actuarial valuation.

#### (c) Disclosures pursuant to AS-15 (Revised 2005):

##### i) Defined Benefit Schemes : (Based)

##### 1. Principal Actuarial Assumptions at the Balance Sheet Date in respect of gratuity:

Particulars	As at 31.03.16	As at 31.03.15
Discount rate	8.00%	8.00%
Salary escalation	3.50%	3.50%

**2. Changes in Present Value of Obligation:**
**in ₹**

Particulars	As on 31/03/2016	As on 31/03/2015
PPresent Value of Obligation at the beginning of the year	17,43,515	15,25,458
Interest Cost	1,39,481	1,22,037
Current Service Costs	81,709	76,460
Benefits paid	(2,20,256)	(6,40,173)
Actuarial (gain)/loss on obligations	36,847	6,59,733
Present Value of the Obligation as at the end of the year	17,81,296	17,43,515

**3. Changes in the fair value of plan assets:**
**in ₹**

Particulars	As on 31/03/2016	As on 31/03/2015
Fair value of the plan assets at the beginning of the year	32,18,100	27,06,022
Expected Return on Plan Assets	2,71,257	2,96,195
Contribution	95,449	8,56,056
Benefits Paid	(2,20,256)	(6,40,173)
Actuarial gain/(loss) on Plan Assets	Nil	Nil
Fair Value of the plan assets at the end of the year	33,64,550	32,18,100

**4. Fair value of Plan Assets:**
**in ₹**

Particulars	As on 31.03.2016	As on 31/03/2015
Fair value of Plan Assets at the beginning of Year	32,18,100	27,06,022
Actual Return on Plan Asset	2,71,257	2,96,195
Contributions	95,449	8,56,056
Benefits Paid	(2,20,256)	(6,40,173)
Fair Value of Plan Assets at the end of the year	33,64,550	32,18,100
Funded Status	15,83,254	14,74,585

**5. Actuarial (Gain)/Loss recognized:**
**in ₹**

Particulars	As on 31.03.2016	As on 31.03.2015
Actuarial (gain)/Loss on Obligation	(36847)	(6,59,733)
Actuarial (gain)/Loss for the year on plan assets	Nil	Nil
Total (Gain)/Loss for the year	36,847	6,59,733
Actuarial (gain)/Loss recognized in the year	36,847	6,59,733

## 6. Amounts to be recognized in Balance Sheet:

in ₹

Particulars	As on 31.03.2016	As on 31.03.2015
Present Value of Obligation as at end of the year	17,81,296	17,43,515
Fair Value of Plan Assets as at the end of the year	33,64,550	32,18,100
Funded Status	15,83,254	14,74,585
Net Assets / (Liability) Recognized in Balance Sheet	15,83,254	14,74,585

## 7. Expenses recognized in statement of Profit and Loss Account:

in ₹

Particulars	As on 31.03.2016	As on 31.03.2015
Current Service Costs	81,709	76,460
Interest Costs	1,39,481	1,22,037
Expected return on plan assets	(2,71,257)	(2,96,195)
Net Actuarial (gain)/Loss recognized in the year	36,847	6,59,733
Expenses recognized in P & L A/c	(13,220)	5,62,035

The above figures are furnished by LIC of India for the purpose of disclosure under AS 15 (R)

The estimates of salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors.

## ii. Leave encashment

in ₹

Particulars	Amount
<b>Change in benefit obligation:</b>	
Obligations at period beginning – current (31-3-2015)	63,379
Obligations at period beginning - Non current	10,15,896
Service Cost	3,82,415
Interest on Defined Benefit obligation	76,669
Benefits settled	(2,41,816)
Actuarial (gains)/Loss	80,918
<b>Obligations at period end</b>	<b>13,77,461</b>
Current Liability (Within 12 months)	79,292
Non-Current Liability	12,98,169
<b>Change in plan assets</b>	
Plan assets at period beginning, at fair value	0
Expected return on plan assets	0
Actuarial gain./(Loss)	0
Contributions	2,41,816

Benefits Settled	(2,41,816)
<b>Plan assets at period ended, at fair value</b>	<b>0</b>
<b>Funded Status</b>	
Closing PBO	13,77,461
Closing fair value of Plan Assets	0
Closing Funded Status	(13,77,461)
<b>Net asset/ (Liability) recognized in balance Sheet</b>	<b>(13,77,461)</b>
<b>Expenses recognized in P&amp; L account</b>	
Service Cost	3,82,415
Interest Cost	76,669
Expected return on Plan asset	0
Actuarial (gain)/Loss	80,918
<b>Net gratuity/ Leave cost</b>	<b>5,40,002</b>
<b>Experience Adjustment on Plan Liabilities</b>	<b>80,918</b>
Experience Adjustment on Plan Assets	0
<b>Assumptions</b>	
Interest Rate	8.00%
Discount Factor	8.00%
Estimated rate of return on Plan Asset	0.00%
Salary Increase	6.00%
Attrition Rate	5.00%
Retirement Age	60
Total Number of Employees	34
Total Monthly relevant salary for Leave encashment	4,45,295
Average monthly salary	13,096.91
Total Monthly CTC	4,45,295
Average Age	53.12
No of leave days [PL / EL]	2904
Average Past Service	17.59
Average Future Services	6.88
Decrement adjusted estimated future service	9.87

### 3.15 Deferred Tax :

Deferred Tax Assets as per AS 22 – No 'Deferred Tax Assets' are recognized in the financial statements in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized.

### 3.16 Segment Reporting:

The Company is primarily engaged in the business of financial activities and managed as one entity for its various activities. There is only one 'business segment' and 'geographical segment' and, therefore, the segment information as required by AS – 17 'Segment Reporting' is not provided by the Company.



### 3.17 Preference share Not redeemed

Cumulative Preference Shares amounting to ₹ 31.62 lakhs are not redeemed and no redemption reserve is created as the Company is incurring losses since 2001.

### 3.18 Earnings Per Share

Basic and Diluted Earnings per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earnings per Share".

(₹ in Lakhs)

Particulars	2016	2015
Profit after Tax as per accounts	(23.39)	(34.89)
Weighted average number of shares outstanding	14150100	14150100
Basic EPS	(0.17)	(0.25)
Profit after Tax as per accounts	(23.39)	(34.89)
Weighted average number of shares outstanding	14150100	14150100
Basic EPS	(0.17)	(0.25)
Face Value per share	₹ 10.00	₹10.00

3.19 There are no dues to Micro, Small and Medium Enterprises as of 31.03.2016.

3.20 The corresponding figures for the previous year have been regrouped/ rearranged wherever necessary.

**S R Gowda**  
Whole Time Director  
DIN: 00046329

**K B Shetty**  
Director  
DIN: 01451944

Refer our Report of even date  
**For RAO & SWAMI,**  
Chartered Accountants  
Firm Registration No. 003105S

**S S Kamath**  
Director  
DIN: 01039656

**Jyothi V B**  
Director  
DIN: 07133349

**J M Panday**  
Company Secretary

**P V Shenoy**  
Partner  
Membership No. 020205

Bengaluru  
May 30, 2016

Bengaluru  
May 30, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDING 31st March 2016**

₹ In lakhs

	<b>Current Year 31-March-2016</b>	<b>Previous Year 31-March-2015</b>
<b>A. Cash flow from Operating Activities :</b>		
Profit/(Loss) before Tax	(23.39)	(34.89)
Adjustments for :		
Depreciation	3.61	4.03
Depreciation Adjustment against Retained earnings	0.00	(4.53)
Lease Equalisation	0.00	(27.18)
Interest on Investments	(66.00)	(83.95)
Dividend Income	(1.82)	(9.48)
Profit on Sale of Assets	0.06	(0.46)
<b>Operating Profit Before Working Capital Changes</b>	<b>(87.54)</b>	<b>(156.46)</b>
Operating Profit Before Working Capital Changes		
(Increase)/Decrease in Trade Receivables	263.82	95.24
(Increase)/Decrease in Long Term Loans and Advances	280.47	12.37
Increase/ (Decrease) in Other Long Term Liabilities	13.34	18.72
Increase/ (Decrease) in Trade Payable	0.67	0.63
Increase/ (Decrease) in Other Current Liability	(41.47)	895.45
Increase/(Decrease) in Short Term Borrowings	(867.83)	598.44
Cash Generated from Operations	(438.54)	1464.39
<b>Net cash from Operating Activities</b>	<b>(438.54)</b>	<b>1464.39</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase/Sale of Fixed Assets and Adjustments	0.04	40.85
Purchase/Sale Proceeds of Investments (Net)	(14.33)	0.00
Dividend Income	1.83	9.48
Interest Received/ other Receivables	382.57	81.03
<b>Net Cash from Investing Activities</b>	<b>370.11</b>	<b>131.36</b>
<b>C. Cash Flow from Financing Activities</b>		
Outstanding Deposits Paid off	(1105.54)	(1023.04)
<b>Net Cash From Financing Activities</b>	<b>(1105.54)</b>	<b>(1023.04)</b>
<b>Net Increase/(Decrease) in Cash and Equivalents (A+B+C)</b>	<b>(1173.97)</b>	<b>572.71</b>
<b>Opening Balance of Cash and Equivalents</b>	<b>1,522.61</b>	<b>949.90</b>
<b>Closing Balance of Cash and Equivalents</b>	<b>348.64</b>	<b>1,522.61</b>

**S R Gowda**  
Whole Time Director  
DIN: 00046329

**K B Shetty**  
Director  
DIN: 01451944

Refer our Report of even date  
**For RAO & SWAMI,**  
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**S S Kamath**  
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Director  
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**J M Panday**  
Company Secretary

**P V Shenoy**  
Partner  
Membership No. 020205  
Bengaluru  
May 30, 2016

Bengaluru  
May 30, 2016



**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)

₹ in lakhs

<b>Liabilities side:</b>		<b>Particulars</b>	<b>Amount Outstanding</b>	<b>Amount Over dues</b>
<b>((1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures		: Secured	4552.05	4552.05
		: Unsecured	....	....
		(other than falling within the meaning of public deposits*)		
(b) Deferred Credits			....	....
(c) Term Loans			....	....
(d) Inter-corporate loans and borrowing			....	....
(e) Commercial Paper			....	....
(f) Public Deposits*			2540.15	2540.15
(g) Other Loans (specify nature)			....	....
*Please see Note 1 below				
<b>(2) Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):</b>				
(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			....	....
*Please see Note 1 below				
<b>Assets Side:</b>			<b>Amount outstanding</b>	
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>				
(a) Secured				314.88
(b) Unsecured				1191.76
<b>(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:</b>				
(i) Lease assets including lease rentals under sundry debtors:				
(a) Financial Lease				122.42
(b) Operating Lease				....



**Assets Side:**

Amount outstanding

**(ii) Stock on hire including hire charges under  
sundry debtors:**

(a) Assets on hire	391.42
(b) Repossessed Assets	0.00

**(iii) Hypothecation loans counting towards EL/HP  
activities:**

(a) Loans where assets have been repossessed	....
(b) Loans other than above	....

**(5) Break-up 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	12.38
	(b) Preference	....
(ii) Debentures and Bonds		....
(iii) Units of mutual funds		8.43
(iv) Government Securities		15.47
(v) Others (please specify)		

**2. Unquoted**

(i) Shares :	(a) Equity	2006.29
	(b) Preference	0.00
(ii) Debentures and Bonds		7.50
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		768.44

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

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	149.37	10.03	159.40
<b>Total</b>	<b>149.37</b>	<b>10.03</b>	<b>159.40</b>

(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 Vale/Break up or fair value or NAV	Book value (Net of provisions)
**		
1. Related Parties		
(a) Subsidiaries	768.44	382.75
(b) Companies in the same group	....	....
(c) Other related parties	1902.25 ....	1866.59
2. Other than related parties	157.65	47.79
<b>Total</b>	<b>2828.34</b>	<b>2297.13</b>

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

(8) Other information:

Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	671.25
(b) Other than related parties	1739.28
(ii) Net Non-performing Assets	
(a) Related parties	....
(b) Other than related parties	373.76
(iii) Assets acquired in satisfaction of debt	....

Notes:

- As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in 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 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.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MAHARASHTRA APEX CORPORATION LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MAHA RASHTRA APEX CORPORATION LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

- a. Note 12 B(2), Company has prepared its accounts ongoing concern basis despite the erosion of its entire net worth as the liability of the company have been restructured by the scheme of arrangement sanctioned by the Honourable High court of Karnataka. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Holding company's ability to continue as a going concern.
- b. The company has not made Provisions after 1st April 2000 as required under provincial norms of RBI as the management of the view that it will be able to monitor the deficit in operation but we are unable to comment on the ultimate reliability of company's asset.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016 and their consolidated loss and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matter**

- a. Company unable to get the financial statement / financial information of five associate companies, which has not been considered while preparing the consolidated financial statement and its impact on the financial statement could not be ascertained.

### **Other Matters**

- (a) We did not audit the financial statements of Three subsidiaries, whose financial statements reflect total assets of ₹.91.43 Lakhs as at 31st March, 2016, total revenues of ₹.32.83 Lakhs and net cash flows amounting to ₹.(-)3.62 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors and such audited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and, except for the possible effect of the matter described in sub-paragraph (a) and (b) of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph and emphasis paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph and emphasis paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matters described in the Basis for Qualified Opinion paragraph and emphasis Paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company except one director of the Group's subsidiary companies, incorporated in India who is disqualified from being appointed as a director in terms of Section 164(2) of the Act,
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in the annexure A
- (h) Company has not carried out internal audit as required in section 138 of companies Act 2013.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the possible effect of the matter described in sub-paragraph (b) of the Basis of Qualified Opinion and Emphasis matters above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates.
  - ii. Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There are no deposits matured and remaining unpaid for a period of 7 years during the year ended 31.03.2016. The transfer of unclaimed matured deposits to Investor Protection Fund does not arise in view of the entire deposit liability being covered under the scheme of arrangement.

**For RAO & SWAMI**  
Chartered Accountants  
(Firm's Registration No.003105S)

Place : Bengaluru  
Date : 30/05/2016

**(P V Shenoy)**  
(Partner)  
(Membership No. 020205)

## **Annexure A to the Independent Auditors Report - 31<sup>st</sup> March 2016**

In conjunction with our audit of consolidated financial statements of the company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of MAHA RASHTRA APEX CORPORATION LTD., as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Holding Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Controls over financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the companies Act 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding company's Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of Internal financial controls over financial reporting (the 'Guidance Note') issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

### **Meaning Of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of the Inherent limitation of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods be detected. Also, projections of any evaluation of the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In Our opinion, the Holding Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal Control over financial reporting criteria established by the Holding Company considering the essential components of Internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For RAO & SWAMI**  
Chartered Accountants  
(Firm's Registration No.003105S)

Place : Bengaluru  
Date : 30/05/2016

**(P V Shenoy)**  
(Partner)  
(Membership No. 020205)



**CONSOLIDATED BALANCE SHEET AS AT -- MARCH 31, 2016**

₹ in lakhs

	Particulars	Note No.	Current Year 31-March-2016	Previous Year 31-March-2015
I	<b>Equity And Liabilities</b>			
1	<b>Shareholders Funds</b>			
	a) Share Capital	1	1442.74	1442.74
	b) Reserves & Surplus	2	(8674.89)	(8662.80)
	c) Minority Interest		1.00	1.00
2	<b>Non-Current Liabilities</b>			
	a) Long Term Borrowings	3(a)	15.76	0.00
	b) Deferred Tax Liabilities(Net)	3(b)	0.00	0.00
	c) Other Long Term Liabilities	3(c)	446.53	446.53
	d) Long-Term Provisions	3(d)	1262.28	1262.28
3	<b>Current Liabilities</b>			
	a) Short Term Borrowings	4(a)	52.00	919.83
	b) Trade Payables	4(b)	13.89	12.86
	c) Other Current Liabilities	4(c)	11412.02	12562.75
	d) Short Term Provisions	4(d)	14.80	12.00
	<b>TOTAL</b>		<b>5986.13</b>	<b>7997.20</b>
II	<b>ASSETS</b>			
	<b>Non Current Assets</b>			
1	a) Fixed Assets	5(a)		
	(i) Tangible Assets		194.61	200.28
	(ii) Intangible Assets		491.32	491.32
	(b) Non Current Investments	5(b)	1889.71	1881.11
	(c) Long Term Loans & Advances	5(c)	1962.14	2227.92
	(d) Other Non Current Assets	5(d)	2.20	2.20
2	<b>Current Assets</b>			
	(a) Inventories	6(a)	13.31	13.35
	(b) Trade Receivables	6(b)	543.42	808.36
	(c) Cash and Cash Equivalents	6(c)	386.62	1556.97
	(d) Short Term Loans and Advances	6(d)	151.53	149.22
	(e) Other Current Assets	6(e)	351.27	666.47
	<b>TOTAL</b>		<b>5986.13</b>	<b>7997.20</b>
	Significant Accounting Policies and Notes to Accounts	12		

The Notes are an integral part of these financial statements

 Refer our Report of even date  
**For RAO & SWAMI,**  
 Chartered Accountants  
 Firm Registration No. 003105S

**S R Gowda**  
 Whole Time Director  
 DIN: 00046329

**K B Shetty**  
 Director  
 DIN: 01451944

**S S Kamath**  
 Director  
 DIN: 01039656

 Bengaluru  
 May 30, 2016

**Jyothi V B**  
 Director  
 DIN: 07133349

**J M Panday**  
 Company Secretary

**P V Shenoy**  
 Partner  
 Membership No. 020205

 Bengaluru  
 May 30, 2016



**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED -- MARCH 31, 2016**

₹ in lakhs

Particulars	Note No.	Current Year 31-March-2016	Previous Year 31-March-2015
<b>I. Revenue from Operations</b>	7	55.05	74.52
<b>II. Other Income</b>	8	96.17	146.48
<b>III. Total Revenue (I+II)</b>		<b>151.22</b>	<b>221.00</b>
<b>IV. Expenses:</b>			
Employee Benefits Expense	9(a)	71.77	71.18
Finance Cost	9(b)	214.95	277.12
Depreciation and amortisation expense	9(c)	5.57	5.99
Excess Depreciation written back		0.00	(2.90)
Other expenses	9(d)	185.15	80.51
<b>Total Expenses</b>		<b>477.44</b>	<b>431.90</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(326.22)</b>	<b>(210.90)</b>
<b>VI. Exceptional Items —</b>	10	422.37	18.34
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>(748.59)</b>	<b>(229.24)</b>
<b>VIII. Extraordinary Items</b>	11	744.48	247.71
<b>Profit before Tax (VII+VIII)</b>		<b>(4.11)</b>	<b>18.47</b>
<b>IX Tax Expense</b>			
(1) Current Tax		(2.80)	(7.20)
(2) Deferred Tax		0.00	0.00
(3) Excess Provision for IT		(0.68)	(3.99)
<b>X Profit (Loss) for the period from continuing operations</b>		<b>(7.59)</b>	<b>7.28</b>
<b>XI. Profit/(Loss) from discontinuing operations</b>		<b>0.00</b>	<b>0.00</b>
<b>XII. Tax expense of discontinuing operations</b>		<b>0.00</b>	<b>0.00</b>
<b>XIII. Profit/(Loss) from discontinuing operations (after tax)</b>		<b>0.00</b>	<b>0.00</b>
<b>XIV Profit (Loss) for the period</b>		<b>(7.59)</b>	<b>7.28</b>
Minority interest		(0.00)	(0.00)
<b>Profit (Loss) for the period</b>		<b>(7.59)</b>	<b>7.28</b>
<b>XV Earnings per equity share:</b>			
(1) Basic		(0.05)	0.05
(2) Diluted		(0.05)	0.05
Significant Accounting Policies and Notes to Accounts	12		

The Notes are an integral part of these financial statements

**S R Gowda**

Whole Time Director

DIN: 00046329

**K B Shetty**

Director

DIN: 01451944

**S S Kamath**

Director

DIN: 01039656

Bengaluru

May 30, 2016

**Jyothi V B**

Director

DIN: 07133349

**J M Panday**

Company Secretary

Refer our Report of even date

**For RAO & SWAMI,**

Chartered Accountants

Firm Registration No. 003105S

**P V Shenoy**

Partner

Membership No. 020205

Bengaluru

May 30, 2016

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2016				₹ in lakhs
		Current Year 31-March-2016		Previous Year 31-March-2015
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE HOLDERS FUNDS</b>				
<b>Note No.1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
20000000	Equity Shares of ₹10/- each	2000.00		2000.00
20000000	Redeemable Cumulative Preference Shares of ₹10/- each (P.Y.2,00,00,000 Equity Shares of ₹10/- each and 2,00,00,000 Redeemable Cumulative Preference Shares of ₹10/- each)	2000.00	4000.00	2000.00
<b>Issued :</b>				
14150100	Equity Shares of ₹10/- each	1415.01		1415.01
1763500	17.50% Redeemable Cumulative Preference Shares of ₹10/- each	176.35		176.35
6236500	14% Redeemable Cumulative Preference Shares of ₹10/- each	623.65	2215.01	623.65
<b>Subscribed and Fully Paid-up :</b>				
14150100	Equity Shares of ₹10/- each fully Called Up (P.Y.14150100 Equity Shares of ₹10/- each fully Called-up)	1415.01		1415.01
<b>Less:</b>				
Calls Unpaid:				
Directors /Officers		Nil		Nil
Others		3.89	1411.12	3.89
316200	14% Redeemable Cumulative Preference Shares of ₹10/- each		31.62	31.62
<b>TOTAL</b>			<b>1442.74</b>	<b>1442.74</b>

- (i) 11667 Equity Shares of ₹10/- each were allotted as fully paid pursuant to terms of amalgamation without payment being received in cash
- (ii) 400000 Equity Shares of ₹10/- each allotted as fully paid bonus shares on capitalisation of Reserves
- (iii) 408240 Equity Shares of ₹10/- each allotted as fully paid bonus shares on capitalisation of Share Premium account

Particulars	As at 31-March-2016		As at 31-March-2015	
	Number of shares	Amount	Number of shares	Amount
<b>Reconciliation of Number of Shares</b>				
<b>Equity Shares:</b>				
Balance at the Beginning of the year	14150100	1411.12	14150100	1411.12
Add: Shares Issued during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	14150100	1411.12	14150100	1411.12
<b>Preference Shares</b>				
<u>14% Redeemable Cumulative Preference Shares:</u>				
Balance at the Beginning of the year	316200	31.62	316200	31.62
Add: Shares Issued during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	316200	31.62	316200	31.62

**Rights, Preferences and restrictions attached to shares**
**Equity Shares:**

The equity shares have a par value of ₹ 10 per share. Each shareholder is eligible for one vote per each share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the 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 including payment to the preference shareholders) in proportion to their shareholding.

**Preference Shares:**

Redeemable Cumulative Preference Shares shall be redeemable after expiry of 5 years from the date of allotment. The shares are entitled for preferential right over dividend (before the equity share holders) at the rate 14% which is to be proposed by the Board of Directors and subject to approval of shareholders in the ensuing annual general meeting. However the shares are Cumulative Preference Share and therefore the Shareholders are entitled to carry forward the dividend of a year to the forth coming year/s in case the same is not declared in a year. In the event of liquidation such shareholders are eligible to receive the face value along with cumulative dividend (after distribution of all preferential amount) before the distribution of assets to the equity share holders. In case the assets are not sufficient to cover up the face value, then the same will be distributed in proportion to their shareholding if the surplus available, after distribution of all preferential amount

**List of share holders holding more than 5% of the total number of shares Issued by the company**

Particulars	As at 31-March-2016		As at 31-March-2015	
	Number of shares	Percentage	Number of shares	Percentage
<b>Equity Shares:</b>				
M/s Manipal Holdings (P) Ltd.	2488875	17.59%	2488875	17.59%
Mrs Jaya S Pai	2127365	15.03%	2127365	15.03%
M/s Chittrakala Investment Trade & Business Finance Ltd.	906297	6.40%	906297	6.40%
M/s Metropolis Builders (P) Ltd.	1362743	9.63%	1354643	9.57%
<b>Preference Shares</b>				
General Investment & Commercial Corporation Ltd.	20100	6.36%	20100	6.36%



Particulars	As at 31-March-2016		As at 31-March-2015	
<b>Note No. 2</b> <b>RESERVES &amp; SURPLUS</b>				
Capital Reserve	78.13		78.13	
Capital Redemption Reserve [Redemption of 17.5% RCP Shares]	176.35		176.35	
Securities Premium Reserve	997.49		997.49	
General Reserve	233.32		233.32	
Special Reserve [Pursuant to RBI (Amendment) Act, 1997]	159.52	1644.81	159.52	1644.81
Surplus Statement of Profit & Loss Profit/Loss from Previous Year	(10307.61)		(10334.36)	
Adjustment against Retained earnings on consolidation (net)	-		19.47	
Profit/Loss for the Current Year	(7.59)		7.28	
Adjustment for Intra company profit	(4.50)	(10319.70)	-	(10307.61)
<b>TOTAL</b>		<b>(8674.89)</b>		<b>(8662.80)</b>
<b>2 NON-CURRENT LIABILITIES</b>				
<b>Note No. 3 (a)</b> Long Term Borrowings Amount due to Body corporate		<b>15.76</b>		<b>0.00</b>
<b>Note No. 3 (b)</b> Deferred tax Liabilities (Net)		<b>0.00</b>		<b>0.00</b>
<b>Note No. 3(c)</b> <b>Other Long Term Liabilities</b> Lease Security Deposits		<b>446.53</b>		<b>446.53</b>
<b>Note No. 3(d)</b> <b>Long Term Provisions</b> Others For Non-performing Assets		<b>1262.28</b>		<b>1262.28</b>
<b>3 CURRENT LIABILITIES</b>				
<b>Note No. 4(a)</b> Short term Borrowings Current account overdrawn Balance From Others		0.00 52.00 <b>52.00</b>		867.83 52.00 <b>919.83</b>
<b>Note No. 4(b)</b> <b>TRADE PAYABLES</b> H.P and other Creditors		<b>13.89</b>		<b>12.86</b>



Particulars	As at 31-March-2016	As at 31-March-2015
<b>Note No. 4(c)</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>Secured</b>		
Unpaid Creditors being outstanding Bonds/Deposits with interest	4567.74	5438.16
Deposit/Bonds with Interest less than ₹. 5000/-	81.87	116.56
Delayed period interest on deposit	2442.59	2643.02
(Secured by first charge on Co's financial assets book debts & receivables)		
<b>Unsecured:</b>		
Inter corporate deposit	561.81	561.81
Rent Security Deposit	6.60	11.28
TDS Payments 2015-16	0.37	0.36
Liabilities for Expenses	21.27	14.91
Cheque issued for repayments of deposit/bonds pending realisation	415.19	460.38
Earning Money Deposit	3300.00	3300.00
Other Advances	0.40	0.46
Collection and other Accounts	0.62	0.95
Other Payable	1.68	5.34
Expenses Payable	11.88	9.52
<b>TOTAL</b>	<b><u>11412.02</u></b>	<b><u>12562.75</u></b>
<b>Note No. 4(d)</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Taxation	<b><u>14.80</u></b>	<b><u>12.00</u></b>



**Note No. 5 (a)**  
**FIXED ASSETS**  
**i) Tangible Assets**

₹ in lakhs

	Gross Block (At Cost)						Depreciation				Lease Terminal Adjustment		Net Block		
	As on 01.04.2015	Additions	On Assets Sold	Deductions	Impairment Loss	As on 31.03.2016	Upto 31.03.2015	for the period	On Assets Sold	Deductions	Upto 31.03.2016	For the year	Previous year	As On 31.03.2016	As On 31.03.2015
Company Assets															
Land	37.34	0.00	0.00	0.00	0.00	37.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.34	37.34
Buildings and Office Premises	254.95	0.00	0.00	0.00	0.00	254.95	105.17	3.85	0.00	0.00	109.02	0.00	0.00	145.93	149.78
Office Furniture & Eq.	89.16	0.31	2.31	4.82	0.26	82.08	78.08	1.02	2.16	4.82	72.12	0.00	0.00	9.96	11.08
Motor cars and other Vehicle	7.17	0.00	0.27	0.00	0.00	6.90	5.09	0.70	0.27	0.00	5.52	0.00	0.00	1.38	2.08
Total	388.62	0.31	2.58	4.82	0.26	381.27	188.34	5.57	2.43	4.82	186.66	0.00	0.00	194.61	200.28
Leased Assets															
Plant & Machinery	708.63	0.00	0.00	0.00	0.00	708.63	708.63	0.00	0.00	0.00	708.63	0.00	0.00	0.00	0.00
Motor vehicles	5.11	0.00	0.00	0.00	0.00	5.11	5.11	0.00	0.00	0.00	5.11	0.00	0.00	0.00	0.00
Gas Cylinder	3.20	0.00	0.00	0.00	0.00	3.20	3.20	0.00	0.00	0.00	3.20	0.00	0.00	0.00	0.00
Furniture	15.74	0.00	0.00	0.00	0.00	15.74	15.74	0.00	0.00	0.00	15.74	0.00	0.00	0.00	0.00
Total	732.68	0.00	0.00	0.00	0.00	732.68	732.68	0.00	0.00	0.00	732.68	0.00	0.00	0.00	0.00
Grand Total	1121.30	0.31	2.58	4.82	0.26	1113.95	921.02	5.57	2.43	4.82	919.34	0.00	0.00	194.61	200.28
(ii) Intangible Assets															
Goodwill on Consolidation	491.32	0.00		0.00		491.32								491.32	491.32

₹ in lakhs

Particulars	As at 31-March-2016		As at 31-March-2015	
<b>Note No. 5(b)</b>				
<b>NON CURRENT INVESTMENTS</b>				
<b>i) Investment in Property</b>				
Investment in immovable property/land & building		28.99		24.16
<b>INVESTMENTS IN EQUITY INSTRUMENTS</b>				
Long term at cost				
<b>ii) Quoted Equity Shares :</b>				
20000 Voltas Limited Shares of ₹ 1/- each	2.92		2.92	
22000 TATA Power Company Limited Shares of ₹ 1/- each	2.62		2.62	
9655 HDFC Bank Shares of ₹2/- each	6.84		6.84	
15000 India Cements Capital & Finance Ltd. Shares of ₹ 10/- each	1.50		1.50	
25000 Parekh Platinum Ltd. Shares of ₹ 10/- each	24.06	37.94	24.06	37.94
<b>iii) Unquoted Equity Shares Others</b>				
16000 I C D S Ltd. shares of ₹ 10/- each	6.59		6.59	
490 Brooklyn Hills (P) Ltd. shares of ₹ 100/- each	0.00		0.49	
352000 Manipal Motors Pvt.Ltd. shares of ₹ 10/- each	35.27		35.27	
3000 General Investment & Commercial Corporation Ltd. shares of ₹ 10/- each	0.30		0.30	
2000 Shamrao Vitthal Co-operative Bank Ltd.shares of ₹ 25/- each	0.50		0.50	
4000 MPL Enterprises Ltd. Shares of ₹ 10/- each	1.65		1.65	
750000 Bhooma Automobiles Ltd. shares of Rs. 10/- each	75.00		159.98	
44980 Eldarado Shares Services Pvt Ltd. shares of Rs. 10/- each	0.00		4.50	
400000 Canara Steel Ltd. Shares of ₹ 10/- each	40.00	159.31	40.00	249.28
<b>iv) Investment in Associates</b>				
<b>Unquoted Equity Shares</b>				
5693020 Kurlon Limited shares of ₹ 10/- each	1726.06		1726.06	
58990 Manipal Springs Pvt.Ltd. shares of ₹ 100/- each	59.29		66.32	
36368 Rajmahal Hotels Ltd. Shares of ₹ 10/- each	0.76		0.76	
58436 Mangala Investments Ltd. Shares of ₹ 10/- each	1.50		1.50	
1395000 Manipal Home Finance Ltd. Shares of ₹ 10/- each	139.77	1927.38	139.77	1934.41
<b>v) Investment in Government or Trust Securities</b>				
6 year National Savings Certificate at cost		0.14		0.14
349608.795 units of UTI - Bluechip Flexicap Fund (Div.) fund of ₹ 10 each	14.41		14.41	
6500 Units of UTI - Mastershare,(Div) of ₹ 10/- each	0.92	15.33	0.92	15.33
<b>vi) Investment in Debentures or Bonds</b>				
<b>Unquoted Debentures</b>				
750 Jay Rapid Roller Limited Debentures of ₹ 1000/- each		7.50		7.50



₹ in lakhs

Particulars	As at 31-March-2016	As at 31-March-2015
<b>vii) Investment in Mutual Funds:</b>		
54001.28 Franklin Templeton India - Balanced (Growth) @ 15.62 each (Total Market Value of Shares, Debentures, Trustee Securities & Mutual Funds ₹ 291.79 lakhs) (Previous Year ₹ 297.88 lakhs)	8.43	8.43
<b>Sub -Total</b>	<b>2185.02</b>	<b>2277.19</b>
Less: Diminution in the Value of Investment	295.31	396.08
<b>TOTAL</b>	<b>1889.71</b>	<b>1881.11</b>
<b>Note No. 5 (c)</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>CONSIDERED GOOD :</b>		
Related Party Loans and advance		
Unsecured : considered good - Associate company	0.00	1.06
<b>Secured :</b>		
Demand Loans	314.88	392.81
Advance Income Tax and TDS - Net of provision	326.38	325.25
Advance Fringe Benefit tax - Net of provision	0.50	0.50
Other loans and advances	102.58	86.89
Deposit with others	22.14	21.43
	451.60	434.07
<b>Unsecured :</b>		
Other Loans and advance	0.56	0.56
Demand Loans	1071.86	1267.75
Bills Discounted	119.90	128.33
Mat Credit	3.34	3.34
<b>TOTAL</b>	<b>1195.66</b>	<b>1399.98</b>
	<b>1962.14</b>	<b>2227.92</b>
<b>Note No. 5 (d)</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Term Deposits with banks with maturity period beyond 12 months (Given as security for Bank Guarantee in favour of Sales Tax Authorities.)	2.20	2.20
<b>2. CURRENT ASSETS</b>		
<b>Note No. 6 (a)</b>		
<b>INVENTORIES</b>		
Stock In trade	13.31	13.35
<b>Note No. 6 (b)</b>		
<b>TRADE RECEIVABLES</b>		
Unsecured and Considered Good :		
- Due for more than 6 months		
Motor Vehicles/Machineries given on Hire Purchase contract [at agreement value less amount received, unexpired & unearned Finance Charges and Insurance & Taxes for the future period]	391.42	662.16
Commission and Rent Receivable		
- Due for more than 6 months	145.02	145.00
- others less than 6 months	6.98	0.08



Particular	As at 31-March-2016	As at 31-March-2015
Debtors for Share Dealings		
Others		
Due for less than 6 months	0.00	1.12
<b>TOTAL</b>	<b>543.42</b>	<b>808.36</b>
<b>Note No. 6 (c)</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
<b>Balances with Banks</b>		
With Scheduled Banks in Current accounts	93.69	59.99
With Scheduled Banks in Deposit accounts	288.26	1490.43
Cash in hand	3.69	5.88
Stamps in hand	0.40	0.13
Stock of Stationery on hand at cost	0.58	0.54
<b>TOTAL</b>	<b>386.62</b>	<b>1556.97</b>
<b>Note No. 6 (d)</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
Loans and Advances -Associates	0.00	7.65
Other Receivable	151.53	141.57
<b>TOTAL</b>	<b>151.53</b>	<b>149.22</b>
<b>Note No. 6 (e)</b>		
<b>OTHER CURRENT ASSETS</b>		
Deposit with others	12.53	12.53
Advance tax and tds	19.59	17.17
Interest accrude on investment	10.01	20.09
Other receivable	308.08	614.57
Deferred revenue expenses	1.06	2.11
<b>TOTAL</b>	<b>351.27</b>	<b>666.47</b>
<b>Note No. 7</b>		
<b>REVENUE FROM OPERATIONS</b>		
Income from Hire Purchase, Lease, Loans & Advances	29.54	27.10
Lodging Business	10.50	7.48
Rent Receipts	5.72	12.84
Income from Recovery of Deceerd Assets	0.88	15.32
Supervision Charges Received	6.95	5.93
Professional Charges Received	1.46	5.85
<b>TOTAL</b>	<b>55.05</b>	<b>74.52</b>



₹ in lakhs

Particulars	As at 31-March-2016	As at 31-March-2015
<b>Note No. 8</b>		
<b>OTHER INCOME</b>		
Int. Received on Bank Deposit	65.10	83.97
Other Interest Earned	1.70	0.79
Miscellaneous Receipts	3.24	1.94
Service Charges	1.27	1.26
Income from House Property	4.90	3.89
Dividend Income :	1.82	9.50
Income from Profession	1.54	6.15
Profit/ Loss on Sale of Asset	4.44	0.46
Sale of Scrap Papers	0.16	0.00
Lease Equalisation	0.00	27.18
Compensation Charges Received	12.00	11.34
<b>TOTAL</b>	<b>96.17</b>	<b>146.48</b>
<b>EXPENSES</b>		
<b>Note No. 9 (a)</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & Bonus	61.63	54.64
Contribution to P F and other Funds	6.03	6.40
Gratuity	0.13	6.74
L C Premium & Service Tax on Gratuity	0.05	0.05
Staff Welfare Cost :		
- Staff Welfare Expenses	1.60	1.83
- Group Insurance Paid	0.79	0.80
- Staff Medical Expenses	1.54	0.72
<b>TOTAL</b>	<b>71.77</b>	<b>71.18</b>
<b>Note No. 9 (b)</b>		
<b>FINANCE COST</b>		
Others	214.95	277.12
<b>Note No. 9 (c)</b>		
Depreciation and Amortisation Expenses	5.57	5.99
<b>Note No. 9 (d)</b>		
<b>Other Expenses</b>		
Printing and Stationery	1.88	1.38
Postage and Telephones :	5.16	2.76
Computers and other Advisory Services :	7.48	5.32
Director's Sitting Fees and Travelling Expenses	0.42	0.00
Filing Fees	0.38	0.46
General Charges :	11.60	10.22
Fire and other Insurance Premium	0.29	0.27
Service tax paid	2.82	2.26
Profession tax paid	0.05	0.05
Vat Paid	0.04	0.30



₹ in lakhs

Particulars	As at 31-March-2016	As at 31-March-2015
Newspapers, Books & Periodicals	0.15	0.18
Remuneration to Auditors :	6.26	3.91
Rent	7.29	4.68
Taxes and Licence	1.99	1.65
Luxury Tax	0.48	0.00
Travelling Expenditure :	2.69	2.67
Legal Expenses	13.31	17.55
Advertisement Charges	2.70	2.65
Bank Charges	0.38	0.38
Electricity Charges	1.59	1.93
Repairs to Buildings :	13.70	9.40
Other Repairs & Maintenance	1.76	1.26
Vehicle Maintenance	1.28	1.47
Miscellaneous Expenses	0.45	1.49
Compensation for HP Recovery	0.00	0.17
Loss on sale of Investment	96.14	1.35
Society Maintenance Charges	1.56	1.48
Compensation Charges Paid	1.34	1.34
Deferred Revenue Expenses amortized	1.05	3.10
Decreed Asset Recovery Expenses	0.46	0.59
Staff Welfare Expenses of subsidiary	0.45	0.24
<b>TOTAL</b>	<b>185.15</b>	<b>80.51</b>
<b>Note No. 10</b>		
<b>Exceptional items</b>		
(i) Exceptional Expenses:		
Impairment Loss	0.26	40.24
Bad Debts Written off	653.87	34.00
Provision for diminution in the value of investments	0.00	20.80
Sundry Deposits Written off	0.00	0.07
	<b>654.13</b>	<b>95.11</b>
<b>Less:</b>		
(ii) Exceptional Income:		
Bad Debts Recovered	0.00	40.29
Provision for diminution in the value of investments	130.98	33.50
	100.78	2.98
	<b>231.76</b>	<b>76.77</b>
<b>TOTAL</b>	<b>422.37</b>	<b>18.34</b>
The company has discontinued hire purchase and Leasing Busines and concentrating mainly on recovery of dues and repayment of debts. The income of the company depends on recoveries made during the year varies from year to year. Therefore Bad Debts recovered and written off are shown under exceptional items.		
<b>Note No. 11</b>		
<b>Extraordinary items</b>		
Interest Remission From Bonds/Deposits	<b>744.48</b>	<b>247.71</b>
The company has discontinued hire purchase and Leasing Busines and concentrating mainly on recovery of dues and repayment of debts. The income of the company depends on recoveries made during the year varies from year to year. Interest accrued on deposits and bonds up to 31-3-2002 on full and final settlement during the year and interest @ 6% p.a. on delay in payment of installments as per scheme of Compromise and Arrangement sanctioned by the High Court of Karnataka under sections 391 to 394 of the Companies Act, 1956 vide its Order dated 8th October, 2004 is recognized under extraordinary item.		

**Note - : 12**
**A) ACCOUNTING POLICY AND NOTES TO FINANCIAL STATEMENT**
**SIGNIFICANT ACCOUNTING POLICIES:**
**1. Basis of preparation of Consolidated Financial Statements:**
**a) The Subsidiary Companies considered in consolidation are:**

Name of the Company	Country of Incorporation	Extent of holding and voting powers on 31.03.2016
ELDORADO INVESTMENTS CO. PVT. LTD.	India	81.00%
MAHARASHTRA APEX ASSET MANAGEMENT CO. LTD.	India	99.99%
CRIMSON ESTATE & PROPERTIES PVT. LTD.	India	99.99%

**Note:** During the Year Company has Invested 50000 Shares of Eldorado Investment Co. Pvt., Ltd., which resulted in intra company profit of Rs. 4,50,000/- is adjusted in consolidated Reserves and Surplus.

- b) The Financial Statements of Maha Rashtra Apex Corporation Ltd. and its subsidiaries are used in the consolidation are drawn up-to the same reporting date as that of the Parent Company, i.e., year ended 31st March, 2016.

**2. Principles of Consolidation:**

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-Company balances and transactions have been fully eliminated. Investment in Subsidiaries are eliminated and difference between the cost of investment over the net assets on the date of investment, or on the date of the financial statements immediately preceding the date of investment in subsidiaries are recognized as goodwill or capital reserve, as the case may be.

**3. Accounting and Income recognition:**

- The financial statements are prepared under the historic cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 2013.
- The income from Suit Filed Accounts and Non Performing Assets, Overdue compensation interest on debenture are recognised on receipt basis.
- Other incomes are recognised on the nature of activity when consideration can be reasonably measured and exists reasonable certainty of its recovery.
- Interest accrued on deposits and bonds up to 31-3-2002 on full and final settlement during the year is recognized under interest remission in Profit and Loss statement.

**4. Expenses:**

All expenses are accounted on accrual basis except interest for the year on deposits/bonds which are calculated upto 31.3.2002 as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka.

**5. Fixed Assets:**

Fixed Assets are stated at original cost less depreciation after taking into consideration the lease adjustment account wherever necessary.

**6. Investment:**

Investments in respect of Holding company are long-term investments and valued at cost. And The management is of the opinion that the diminution in the value are temporary and the provision already made to recognize the decline is sufficient., In respect of Subsidiaries and associates Investment are valued at cost less diminution in the value of Investment



**7. Depreciation and amortization:**

Depreciation on fixed assets is charged in the accounts based on useful life of the assets as prescribed in schedule II of the companies Act 2013. On assets under operating lease where Lease period has expired no depreciation is charged in the accounts on these assets.

**8. Taxes on Income:**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of assessment/appeals before various Appellate Authorities.

Deferred Tax are not recognized in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**9. Impairment of Assets**

As per estimation of management impairment losses on fixed asset were recognized in the current year which is charged to the Profit and loss account under exceptional items in respect of owned Asset ₹ 0.26 lakhs.

**10. Current Assets:**

- i) Stock on hire is valued at agreement values less amount received, unrealized, un matured finance charges and future taxes and insurance
- ii) Repossessed Stock is valued at cost.

**11. Borrowing Cost:**

Cost of borrowings is charged to revenue except interest not accounted as per Note A (4).

**12. Retirement Benefits:**

Contributions are made to the recognized Provident Fund in accordance with the rules. The Company's liability in respect of gratuity is covered by the Group Gratuity Policy of LIC of India. The company has valued the liability in respect of Leave encashment as per actuarial valuation.

**13. Earning Per Share:**

The EPS is computed by dividing the Profit (Loss) after tax for the period by the weighted average number of equity shares outstanding during the period.

**14. Provisions and Contingent liabilities:**

if any, are disclosed by way of Notes on accounts.

**B. NOTES TO ACCOUNTS:**

1. Accounts of three subsidiary companies are audited considered for preparation of consolidation based on the financial information provided by the management of respective entity. Accounts of Five associate companies could not be consolidated on account of non-availability of financial information.

1. As per the Scheme of Compromise and Arrangement of the holding company sanctioned by the High Court of Karnataka under section 391 to 394 of the Companies Act, 1956 vide its order dated 08.10.2004 and filed with the Registrar of Companies, Karnataka on 15.12.2004, which is the effective date, the holding company:

- a) has not carried on any business of non-banking financial company during the year except recoveries of advances done in earlier years and repayment of liabilities.
- b) has started repaying the deposits/bonds as per the terms of the Scheme and the total reduction in liability during the year amounted to ₹. 905.11 lakhs.
- c) All the Installments as per the scheme have fallen due on 15th September 2009 and 15th June 2009 and aggregate short fall in repayment as per the scheme upto 31.03.2016 amounts to ₹. 4649.61 lakhs (Previous Year ₹. 5554.72 lakhs).



2. Though the holding company is incurring losses since 2001 and its substantial funds are blocked in non-performing assets, the accounts have been prepared on going concern basis, as it has started implementing the scheme sanctioned by the High Court of Karnataka and the management is of the view that the company will be able to recover its dues from most of the borrowers/debtors and monitor effectively the deficit in operations.
3. The holding company has not made the provisions as required under the RBI prudential norms after 1st April, 2000 since the management is hopeful of recovery and is of the view that the provisions already made in the books are sufficient to meet the loss. When compared to the previous year, there is reduction in total provisions at the end of the year as detailed below:

		(₹. in lakhs)
Provision for Non Performing Assets	...	(-)770.34
Provision for Diminution in the value of Investments	...	(-) 6.27
De-recognition of Income on Non-Performing Assets	...	(-)83.93
Total Short Provision As on 31-3-2016	...	1868.99

4. Current assets, Loans & Advances and Sundry Debtors include:

₹ in lakhs

Name of the party	Transaction Value –During the Year		Outstanding Value –Closing value	
	2016	2015	2016	2015
CCI Ltd	Nil	Nil	288.37	288.37
CCI Ltd – Sundry	(5.69)	2.85	0.07	5.76
Maharashtra Apex Asset Management Company Ltd.,	0.04	(17.95)	(120.63)	(120.67)
Crimson Estate & Properties Pvt. Ltd.	(11.67)	(7.25)	(66.33)	(54.66)
Eldorado Investment Co. Pvt. Ltd.	(1.70)	(5.92)	(31.10)	(29.40)
Mangala Investment Ltd.	(0.09)	(0.09)	61.29	61.38
Dagny Investment Pvt. Ltd.	Nil	Nil	0.56	0.56
Manipal Springs Ltd.,	Nil	(4.08)	609.96	609.96

#### 5. Contingent Liabilities:

- i) Suits against the holding company for damages not acknowledged as debt: ₹.0.28 lakhs.
- ii) No Provision is made in the books for disputed Income Tax Liability for the Assessment years 1998-99 to 2000-01 aggregating ₹. 264.82 lakhs as the appeals filed by the company are pending disposal. The disputed tax has been adjusted by the Department out of refund due. The company is of view that No provision is considered necessary in view of the appeals are pending before are Higher Appellate authorities and confident of winning the appeals in favour of the company
- iii) No provision is made in the accounts for the disputed sales tax liability amounting to ₹17.54 lakhs for the Assessment Year 1995-96 to 1996-97 as the appeal filed by the Company is pending disposal.
- iv) Arrears of Cumulative Fixed Dividend from 31.03.2001 to maturity date for Redemption ₹.17.14 lakhs.

#### 6. Deferred Tax

The holding company has not accounted Deferred Tax Asset resulting from accumulated losses and excess depreciation claimed in Income-tax, because of uncertainty of availability of sufficient future taxable income. Deferred tax liability represents that of the Subsidiaries.



7. Earning Per Share

(₹. in lakhs)

Description	March 31, 2016	March 31, 2015
a) Net profit/loss available for equity Shareholders (in lakh) numerator used for calculation	(7.59)	7.28
b) Weighted Average no. of Equity Shares used as denominator for calculation of Earning per Share	1,41,50,100	1,41,50,100
	(Nos.)	(Nos.)
Basic/Diluted- EPS	(0.05)	0.05
Face Value Per Share(Rs.)	10	10

**S R Gowda**  
Whole Time Director  
DIN: 00046329

**K B Shetty**  
Director  
DIN: 01451944

Refer our Report of even date  
**For RAO & SWAMI,**  
Chartered Accountants  
Firm Registration No. 003105S

**S S Kamath**  
Director  
DIN: 01039656  
Bengaluru  
May 30, 2016

**Jyothi V B**  
Director  
DIN: 07133349

**J M Panday**  
Company Secretary

**P V Shenoy**  
Partner  
Membership No. 020205

Bengaluru  
May 30, 2016





**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

₹ in lakhs

	<b>Current Year 31-March-2016</b>	<b>Previous Year 31-March-2015</b>
<b>A. Cash flow from Operating Activities :</b>		
Profit/(Loss) before Tax	(4.11)	18.47
Adjustments for :		
Deferred Tax charged to p&l	0.00	0.00
Excess provision written back	(0.68)	(3.99)
Depreciation	5.57	5.99
Lease Equalisation	0.00	(27.18)
Interest on Investments	(65.10)	(83.97)
Dividend Income	(1.83)	(9.50)
Adjustment against Retained earnings on consolidation (net)	0.00	19.47
Adjustment for unrealised Profit	(4.50)	0.00
Profit on Sale of Assets	(4.44)	(0.46)
<b>Operating Profit Before Working Capital Changes</b>	<b>(75.09)</b>	<b>(81.17)</b>
(Increase)/Decrease in Inventories	0.04	0.02
(Increase)/ Decrease in Trade Receivables	264.95	96.43
(Increase) / Decrease in Short term Loans and Advances	(2.31)	2.85
(increase)/Decrease in Long Term Liabilities	0.00	5.46
(Increase)/ Decrease in Other Current Asset	315.20	12.63
(increase)/Decrease in Long Term Loans and Advances	265.77	(12.40)
(increase)/Decrease in other Long Term Liabilities	0.00	0.00
Increase/ (Decrease) in Trade Payable	1.03	1.62
Increase/ (Decrease) in Long term Borrowings	15.76	0.00
Increase/(Decrease) in Short term Borrowings	(867.83)	598.44
Increase/ (Decrease) in Other Current Liability	(45.19)	898.22
Increase/ (Decrease) in short term Provision	2.80	(1.90)
<b>Cash Generated from Operations</b>	<b>(124.87)</b>	<b>1520.20</b>
Less: Tax Expenses		
Direct Taxes Paid	(2.80)	(7.20)
Deferred Tax	(0.00)	0.00
<b>Net cash from Operating Activities</b>	<b>(127.67)</b>	<b>1513.00</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase/Sale of Fixed Assets	4.54	0.56
Purchase/Sale Proceeds of Investments (Net)	(8.60)	(1.68)
Dividend Income	1.82	9.50
Interest Received	65.10	83.97
<b>Net Cash from Investing Activities</b>	<b>62.86</b>	<b>92.35</b>
<b>C. Cash Flow from Financing Activities</b>		
Outstanding Deposits Paid off	(1105.54)	(1023.04)
<b>Net Cash From Financing Activities</b>	<b>(1105.54)</b>	<b>(1023.04)</b>
<b>Net Increase/(Decrease) in Cash and Equivalents (A+B+C)</b>	<b>(1170.35)</b>	<b>582.31</b>
<b>Opening Balance of Cash and Equivalents</b>	<b>1556.97</b>	<b>974.66</b>
<b>Closing Balance of Cash and Equivalents</b>	<b>386.62</b>	<b>1556.97</b>

**S R Gowda**

Whole Time Director

DIN: 00046329

**K B Shetty**

Director

DIN: 01451944

**S S Kamath**

Director

DIN: 01039656

Bengaluru

May 30, 2016

**Jyothi V B**

Director

DIN: 07133349

**J M Panday**

Company Secretary

Refer our Report of even date

**For RAO & SWAMI,**

Chartered Accountants

Firm Registration No. 003105S

**P V Shenoy**

Partner

Membership No. 020205

Bengaluru

May 30, 2016



**Maha Rashtra Apex  
Corporation Limited**

**CIN-L85110KA1943PLC001177.**

**website www.maharashtraapex.com. Email-mracl.ho@manipal.com.**

**Tel:080-40313131**

Regd Office : 3<sup>rd</sup> Floor, Front Wing North Block, Manipal Centre  
47, Dickenson Road, BENGALURU – 560042

**ATTENDANCE SLIP**  
**(72<sup>st</sup> Annual General Meeting)**

Folio No. / DPID No. & Client ID No.....

No. of shares held.....

I hereby record my presence at the 72nd Annual General Meeting held on Thursday,  
29th September, 2016 at 12.00 noon at the Sri T Ramesh Pai Memorial Hall at Kurlon Factory,  
Jalahalli Camp Road, Yashwantpur, Bangalore – 560 022 .

Member's Name: .....

Proxy's Name: .....

\_\_\_\_\_  
Member's/ Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the Hall.

**Maha Rashtra Apex**

Corporation Limited

CIN-L85110KA1943PLC001177.

website [www.maharashtraapex.com](http://www.maharashtraapex.com). Email-[mraci.ho@manipal.com](mailto:mraci.ho@manipal.com). Tel:080-40313131Regd Office : 3<sup>rd</sup> Floor, Front Wing North Block, Manipal Centre

47, Dickenson Road, BENGALURU – 560042

**FORM No. MGT - 11****PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):

Email ID:

Registered Address:

Folio No. /Client ID:

DP Id:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:

, or failing him

2. Name:

Address:

E-mail Id:

Signature:

, or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 72<sup>nd</sup> Annual General Meeting of the Company, to be held on Thursday 29<sup>th</sup> September, 2016 at 12.00 noon at Sri T Ramesh Pai Memorial Hall at Kurlon Factory, Jalahalli Camp Road, Yashwantpur, Bangalore – 560 022 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

Resolution No.	Description of Resolution	Vote*	
		For	Against
1	Adoption of Standalone and Consolidated Financial Statements for the year ended 31 <sup>st</sup> March, 2016 together with the reports of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mrs. Jyothi V B (DIN: 07133349), as Director, who retires by rotation and being eligible, offers herself for re-appointment.		
3	Ratification of appointment of M/s. Rao & Swami, Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration.		
4	Approval of the borrowing limits of the Company.		
5	Approval for the limits for investing the funds of the Company.		
6	Approval for adoption of new set of Articles of Association of the Company		

\*It is optional to indicate your preference. If you leave the 'for or against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder

Signature of Proxy holder (s)

Re.1/-  
Revenue  
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. The form should be signed across the stamp as per specimen signature registered with the Company.

3. A Proxy need not be a member of the Company.

Book Post



*If not delivered, please return to :*



**Maha Rashtra Apex  
Corporation Limited**

Admn. Off : Syndicate House, Manipal - 576 104