



**APPLE FINANCE LIMITED**

---

**31<sup>ST</sup> ANNUAL REPORT 2016-2017**

## **CONTENTS**

	Pg. No.
Apple Finance Limited	1
Consolidated Financial Statements	44

## **REGISTERED OFFICE**

8 Apeejay House  
130 Mumbai Samachar Marg  
Mumbai 400 023  
CIN: L65910MH1985PLC037767  
Tel.: +91-22-2288 6100 Fax: 2288 6106  
Email: info@applefinance.co.in  
www.applefinance.co.in

## **BOARD OF DIRECTORS**

Mr. Mahesh K. Rachh	(Managing Director)
Mr. Mahesh Raghavan Menon	(Director)
Mr. Mahendra S. Shah	(Director)
Ms. Jacqueline K. Patel	(Director)

## **AUDITORS**

Messrs Mahendra Kumbhat & Associates  
Chartered Accountants

## **31<sup>ST</sup> ANNUAL GENERAL MEETING**

On Tuesday, September 26, 2017  
at 3.30 p.m. at M. C. Ghia Hall, Bhogilal  
Hargovindas Building, Floor 4  
18/20 Kaikhushru Dubash Marg  
Mumbai 400 001

## **REGISTRAR & TRANSFER AGENTS**

Bigshare Services Private Limited  
Bharat Tin Works Building, Floor 1  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri (East), Mumbai 400 059  
Phone: +91-022-6263 8200  
Fax: 6263 8299  
Email: investor@bigshareonline.com  
Website: www.bigshareonline.com

# APPLE FINANCE LIMITED

## NOTICE

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of Apple Finance Limited will be held on Tuesday, September 26, 2017 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 to transact the following business:-

### ORDINARY BUSINESS

1. To consider and adopt:-
  - a) the audited financial statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and the Auditors thereon; and
  - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2017.
2. To appoint a Director in place of Mr. Mahesh Raghavan Menon (DIN:00164298), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for reappointment.
3. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:-

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Kucheria & Associates, Chartered Accountants (ICAI Regn. No.105391W), be and are hereby appointed as Auditors of the Company, in place of M/s. Mahendra Kumbhat & Associates, Chartered Accountants (ICAI Regn. No.105770W), the retiring Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, as a Special Resolution, the following:-

“RESOLVED THAT pursuant to the provisions of Section 94(1) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, consent of the Company be and is hereby accorded to the effect that the Registers and Indices of Members and Debentureholders, and copies of the Annual Returns under Section 92 of the said Act, together with copies of certificates and documents required to be annexed thereto or any one or more of them, be kept at the office of the Company's Registrar & Transfer Agent, Bigshare Services Private Limited, Bharat Tin Works Building, Floor 1, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400 059.”

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, duly completed and signed, should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of the Director proposed to be reappointed, along with the nature of his expertise in specific functional areas, names of the listed entities in which he holds directorships and memberships/chairmanships of Board Committees, his shareholding in the Company and his relationship with other Directors as stipulated in Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are provided in the Exhibit to the Notice.
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto.
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. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Company's Registered Office on all working days (Monday to Friday), except Saturdays, Sundays and holidays between 3.00 p.m. and 5.00 p.m. up to the date of the Meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2017 to September 26, 2017 (both days inclusive).
9. Members holding shares in physical form are requested to notify the change, if any, in their address to the Registrar & Transfer Agents of the Company at the following address: Bigshare Services Private Limited at Bharat Tin Works Building, Floor 1, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400 059.
10. Securities & Exchange Board of India has mandated the submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding

shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Bigshare Services Private Limited.

11. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility. The Company's Registrar & Transfer Agents on request will supply nomination forms. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrar & Transfer Agent, Bigshare Services Private Limited, for consolidation into a single folio.
13. The Notice of the Meeting along with the 31<sup>st</sup> Annual Report for the financial year 2016-2017 is being sent by electronic mode to all the Members whose email addresses are registered with the Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses with the Depositories, physical copies are being sent by the permitted modes. The Notice of the Meeting has also been posted on the Company's website [www.applefinance.co.in](http://www.applefinance.co.in)
14. The process and manner for Members opting for voting through electronic means:-
  - (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-Voting platform of Central Depository Services (India) Limited ("CDSL") ("remote e-Voting").
  - (ii) The Member whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut Off Date of September 19, 2017 shall be entitled to avail the facility of remote e-Voting as well as voting at the Meeting. Any recipient of the Notice who has no voting rights as on the Cut Off date shall treat this Notice as intimation only.
  - (iii) A person who has acquired the shares and has become Member of the Company after the despatch of the Notice of the Meeting and prior to the Cut Off date i.e. Tuesday, September 19, 2017, shall be entitled to exercise his votes either electronically through remote e-Voting or through the Poll Paper at the Meeting by following the procedure mentioned in this part.
    - (iv) The remote e-Voting will commence on Saturday, September 23, 2017 at 10.00 a.m. and will end on Monday, September 25, 2017 at 5.00 p.m. During this period, the Members of the Company holding shares either in physical form or in electronic form as on the Cut Off date i.e. Tuesday, September 19, 2017 may cast their vote electronically. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-Voting module shall be disabled for voting by CDSL thereafter.
    - (v) Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast the vote again.
    - (vi) The facility for voting through Poll Paper would be made available at the Meeting and the Members attending the Meeting who have not already cast their votes by remote e-Voting shall be able to exercise their right at the Meeting through Poll Paper. The Members who have already cast their vote by remote e-Voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
    - (vii) The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the Cut Off date of Tuesday, September 19, 2017.
    - (viii) The Company has appointed Mr. Umesh P. Maskeri, Practicing Company Secretary (FCS No.4831, COP No.12704), to act as the Scrutinizer for conducting the remote e-Voting process as well as the voting through Poll Paper at the Meeting in a fair and transparent manner.
    - (ix) The instructions for shareholders voting electronically are as under:-
      - (a) The e-Voting period begins on Saturday, September 23, 2017 (10.00 a.m.) and ends on Monday, September 25, 2017 (5.00 p.m.). 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) of Tuesday, September 19, 2017 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
      - (b) The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com)
      - (c) Click on "Shareholders/Members" tab.
      - (d) 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.
      - (e) Next, enter the "Image Verification" as displayed and Click on Login.

# APPLE FINANCE LIMITED

- (f) 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.
- (g) If you are a first time user, follow the steps given below:-

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (applicable for both electronic shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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 (refer Sr. No. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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 log in.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the Depository or Company, please enter the member ID/Folio No. in the Dividend Bank details field as mentioned in instruction (d)</li> </ul>

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) 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.
- (j) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for Apple Finance Limited on which you choose to vote.
- (l) 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.

- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) 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.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting Page.
- (q) If demat account holder has forgotten the changed password, then enter the User ID and the "Image Verification Code" and click on Forgot Password and enter the details as prompted by the system.
- (r) 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. Apple 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 on your mobile.
- (s) Notes 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 signature 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 mailed 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 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.
- (t) In case you have any queries or issues regarding remote 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).

- (u) In case of any query or grievance relating to e-Voting, Members may contact the Company Secretary at the Company's Registered Office or by email to [info@applefinance.co.in](mailto:info@applefinance.co.in)
- (x) The Chairman shall, at the Meeting, at the end of the discussion on the resolutions on which voting is to be held, allow voting, with the assistance of the Scrutinizer, by use of Poll Paper for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-Voting facility.
- (xi) The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and 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 shall not later than three days of conclusion of the Meeting, issue a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

- (xii) The results declared, along with the Scrutinizer's Report, will be placed immediately, after the declaration of the same by the Chairman on the Company's website [www.applefinance.co.in](http://www.applefinance.co.in) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and also be communicated to BSE Limited, where the shares of the Company are listed.

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")**

**Item No.3**

This Explanatory Statement is provided though strictly not required under Section 102 of the Act.

The Act was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of Auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate Auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing Auditors depending on the number of consecutive years for which an Audit Firm has been functioning as Auditors in the same company. The incumbent Auditors, M/s. Mahendra Kumbhat & Associates, Chartered Accountants have served the Company for over ten years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 31<sup>st</sup> Annual General Meeting.

The Audit Committee of the Company has proposed and on May 30, 2017, the Board of Directors has recommended the appointment of M/s. Kucheria & Associates, Chartered Accountants (Firm Regn. No.105391W) as Auditors of the Company. M/s. Kucheria & Associates will hold office for a term of five consecutive years from the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company till the conclusion of the 36<sup>th</sup> Annual General Meeting. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set forth in Item No.3 of the Notice for approval of the Members.

**Item No.4**

In accordance with Section 94(1) of the Act read with the Companies (Management & Administration) Rules, 2014, the Registers and Indices of Members and Debentureholders, and copies of the Annual Returns under Section 92 of the Act are required to be kept and maintained at the Registered Office of the Company, unless a Special Resolution is passed at a general meeting authorizing keeping of the Registers at any other place within the city, town or village in which the Registered Office is situate.

The resolution at Item No.4 is proposed for keeping Register of Members/Debentureholders and other related records at the Office of Bigshare Services Private Limited situate at Bharat Tin Works Building, Floor 1, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400 059.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out at Item No.4 of the Notice for approval by the shareholders.

**By Order of the Board of Directors**

**P. B. Deshpande**  
Company Secretary

Mumbai, May 30, 2017

Registered Office:  
8 Apeejay House  
130 Mumbai Samachar Marg  
Mumbai 400 023  
Tel.: +91-22-2288 6100 Fax: 2288 6106  
CIN: L65910MH1985PLC037767  
Email: [info@applefinance.co.in](mailto:info@applefinance.co.in)  
[www.applefinance.co.in](http://www.applefinance.co.in)

# APPLE FINANCE LIMITED

---

## Exhibit to the Notice

### Brief Resume of the Director Seeking Reappointment as Director at the 31<sup>st</sup> Annual General Meeting (As on March 31, 2017)

Particulars	Maresh Raghavan Menon
Date of Birth	14.05.1964
Date of Appointment	19.03.2004
Qualifications	B.Sc., LL.B.
Expertise in specific functional areas	Mr. Menon has been in legal profession since October 1987 and has been actively practicing law. He is the proprietor of the law firm, M/s. Maresh Menon & Co., Advocates.
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel.
Directorship held in other public listed entities (excluding foreign companies)	None
Memberships/ Chairmanships of Committees of other listed entities (only Audit and Shareholders'/Investors' Grievance Committee)	None
Shareholding in the Company	100



## DIRECTORS' REPORT

Your Directors present the 31<sup>st</sup> Annual Report together with audited financial statements of the Company for the financial year ended March 31, 2017.

### FINANCIAL HIGHLIGHTS

The financial results of your Company for the year ended March 31, 2017 as compared to the previous year are summarized below:-

	₹ Lac	₹ Lac
	Year ended 31.03.2017	Year ended 31.03.2016
Gross Income	155.79	227.29
Profit/(Loss) before Depreciation And Taxation	26.89	105.33
Less: Depreciation	21.15	24.83
Profit/(Loss) before Taxation	5.74	80.50
Provision for Taxation	Nil	0.01
Net Profit/(Loss) after Taxation	5.74	80.49

### AMOUNTS CARRIED TO RESERVES

The Net Profit of ₹ 5.74 lac has been transferred to the Profit and Loss Account and as such, no amount has been carried to Reserves.

### STATE OF AFFAIRS, MANAGEMENT DISCUSSION AND ANALYSIS

Your Company's main source of income is interest on Term Deposits and Dividends. During the year under review, mainly due to reduction in interest on Term Deposits by banks, the Gross Income as well as the Net Profit of the Company have dropped from their levels of last year.

Efforts have been continuously made to recover the dues from the defaulting debtors. However, the year under review did not see any realization from such sticky accounts.

As the business was unviable, the Company during the financial year 2003-2004 surrendered its Certificate of Registration of Non-Banking Financial Institution to Reserve Bank of India and since then the Company has not embarked upon any new business activity including during the year under review.

On account of accumulated loss and restrained resources, your Directors regret their inability to recommend Dividend.

### SUBSIDIARY

As on March 31, 2017, Apple Asset Management Limited is the wholly-owned subsidiary of the Company. The said subsidiary was in the business of managing Schemes of Apple Mutual Fund viz., Apple Midas Fund – The Gold Share and Apple Platinum Share. Effective December 27, 1999, both the Schemes of Apple Mutual Fund were taken over by Birla Mutual Fund and since then, the said subsidiary has not carried on any business.

A report on the financial performance and financial position of the subsidiary included in the consolidated financial statement is presented in Form No.AOC-1 pursuant to Section 129 of

the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 and marked as Annexure 'A' to this Report.

The audited financial statement of the subsidiary is placed on the Company's website and the Members interested in obtaining copy of Annual Report of the subsidiary are advised to write to the Company at its Registered Office.

During the financial year under review, apart from Apple Asset Management Limited, no other company became or ceased to be the Company's subsidiary, joint venture or associate company.

Although the Company does not have a material subsidiary, your Company's policy on Material Subsidiary as approved by the Board of Directors is hosted on <http://www.applefinance.co.in/pdf/policy/2016/Material%20Subsidiary%20Policy.pdf>

### EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, the extract of the Annual Return as at March 31, 2017 forms part of this Report as Annexure 'B'.

### NUMBER OF MEETINGS OF THE BOARD

During the financial year, the Board of Directors met four times. The details of the Board Meetings as well as Meetings of Committees have been provided in the Report on Corporate Governance.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013 your Directors state that:-

- in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same.
- the Directors have 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 as at March 31, 2017 and of the profit of the Company for the year ended on that date.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the annual accounts on a 'going concern' basis.
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



# APPLE FINANCE LIMITED

## INTERNAL FINANCIAL CONTROLS

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

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from both the Independent Directors as per the provisions of Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(6) of the Companies Act, 2013 and that there is no change in the circumstances as on the date of this Report, which may affect their respective status as an Independent Director.

## AUDITORS

As per the provisions of the Companies Act, 2013, the period of office of M/s. Mahendra Kumbhat & Associates, Chartered Accountants, Auditors, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. Kucheria & Associates, Chartered Accountants as Auditors of the Company, for a term of 5 (five) consecutive years subject to the approval of the Members at the ensuing Annual General Meeting.

M/s. Kucheria & Associates, Chartered Accountants have confirmed their eligibility and qualification required under the Companies Act, 2013 for holding the office as Auditors of the Company.

## AUDITORS' REPORT

As regards observations of the Auditors under the head 'Opinion' in the Independent Auditors' Report, attention of the Members is invited to Note Nos.19(1) and 19(10) to the Annual Accounts, which are self-explanatory. Save and except this, the Auditors' Report does not contain any disclaimer, adverse remark, reservation or qualification.

The Auditors have not reported any incident of fraud to the Company's Audit Committee during the year under review.

## AUDIT COMMITTEE

The Company's Audit Committee comprises Mr. Mahendra S. Shah, Ms. Jacqueline Patel, Independent Directors and Mr. Mahesh K. Rachh. All the recommendations made by the Audit Committee were accepted by the Board.

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Pramod S. Shah & Associates, Practising Company Secretaries as the Secretarial Auditor of your Company for the financial year ended March 31, 2017. The Secretarial Audit Report is annexed as Annexure 'C'.

With reference to the observations made in the Secretarial Audit Report dated May 29, 2017 regarding non-compliance with Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial

Personnel) Rules, 2014 regarding non-appointment of a Chief Financial Officer, your Directors submit that the said observations have been duly noted and necessary action is being initiated to comply with the requirement of the said Section.

## LOANS, GUARANTEES AND INVESTMENTS

During the financial year under review, the Company has neither accepted any loan or guarantee nor has made any investment attracting the provisions of Section 186 of the Companies Act, 2013.

## CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

All related party transactions which were entered into during the financial year ended March 31, 2017 were in the ordinary course of business and on arm's length basis to serve mutual need and mutual interest and as such, outside the purview of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions made by your Company. The Company has accordingly nothing to report in Form No.AOC-2 and hence the same is not annexed.

Your Directors draw attention of the Members to Note No.19(9) to the standalone financial statement, which sets out related party disclosure.

The Company has adopted a policy of Related Party Transactions and the said policy can be accessed on <http://www.applefinance.co.in/pdf/policy/2016/Related%20Party%20Transaction%20Policy.pdf>

## MATERIAL CHANGES AND COMMITMENTS

During the year, there was no change in the general nature of business of your Company. No material change or commitment, which would have affected the financial position of your Company has occurred during the end of the financial year to which the financial statement relates and the date of the Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information required under Rule 8 of the Companies (Accounts) Rules, 2014 read with Section 134(3) of the Companies Act, 2013 relating to conservation of energy and technology absorption is not being given since your Company is not engaged in manufacturing activity and does not have any operations.

There was no income or outflow of foreign exchange during the financial year under review.

## RISK MANAGEMENT POLICY

As mentioned herein above, the Company has not embarked on any new business activity since the surrender to Reserve Bank of India of the Certificate of Registration of Non-Banking Financial Institution. In the meanwhile, as part of the Company's policy, all the surplus funds of the Company have been parked in scheduled banks. The assets of the Company have been adequately insured. As and when the Company will undertake a business activity, your Directors will immediately formulate an appropriate Risk Management Policy.



## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has not constituted a Corporate Social Responsibility Committee since the Company does not meet with any of the three conditions prescribed in Section 135 of the Companies Act, 2013 and the Rules made thereunder for constitution of a Corporate Social Responsibility Committee.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

At the 28<sup>th</sup> Annual General Meeting held on September 25, 2014, Mr. Mahindra S. Shah and Ms. Jacqueline Patel were appointed Independent Directors to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company.

At the 31<sup>st</sup> Annual General Meeting scheduled to be held on September 26, 2017, Mr. Mahesh Raghavan Menon is sought to be reappointed as the Director of the Company.

Mr. Mahesh K. Rachh, Managing Director and Mr. P. B. Deshpande, Company Secretary are the Key Managerial Personnel of the Company. There was no change in the Company's Key Managerial Personnel.

None of the Directors and Key Managerial Personnel is in any way related to each other.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Board of Directors has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy has been annexed to this Report and marked as Annexure 'D'.

Neither the Managing Director nor the other Directors receive any remuneration, commission or sitting fees from the subsidiary company, Apple Asset Management Limited.

## **BOARD EVALUATION**

The Company's Board of Directors is committed to assessing its own performance as a Board in order to identify its strength and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for evaluation of performance of Independent Directors and the Board.

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. A structured evaluation was conducted after taking into consideration inputs received from the Directors, covering various aspects including but not limited to the knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

## **VIGIL MECHANISM**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated Whistle Blower Policy and Vigil Mechanism for its Directors and employees and any Director

or employee may make protected disclosure to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and the Whistle Blower Policy may be accessed on <http://www.applefinance.co.in/pdf/policy/2016/Whistle%20Blower%20Policy.pdf>

## **PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided in Annexure 'E', which is annexed herewith.

## **SHARE CAPITAL**

During the year under review, no share with differential rights was issued by your Company nor did your Company issue any equity share as sweat equity share.

## **DISCLOSURE ON SHARES HELD IN SUSPENSE ACCOUNT**

There are no shares in the Dematerialized Suspense Account or the Unclaimed Suspense Account.

## **DEPOSITS**

Your Company has not accepted any deposit within the meaning of the Chapter V of the Companies Act, 2013. Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under Report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements have been prepared by your Company in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India and the same together with the Auditors' Report thereon form part of the Annual Report. The financial statements have been prepared as per Schedule III to the Companies Act, 2013.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance requirements as set out by SEBI. The Report on Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms integral part of this Report. The requisite Compliance Certificate has been obtained from Messrs. Mahendra Kumbhat & Associates, Chartered Accountants regarding compliance of conditions of Corporate Governance as stipulated under Part 'E' of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to the Corporate Governance Report.

## **ORDERS BY REGULATORS, COURTS OR TRIBUNALS**

No significant and/or material orders were passed by any regulator or court or tribunal impacting the going concern status or the Company's operations in future.

## **LISTING WITH STOCK EXCHANGE**

Your Company's equity shares are listed on BSE Limited. The Annual Listing Fee for the financial year 2017-2018 has been duly paid to BSE Limited.

# APPLE FINANCE LIMITED

## GREEN INITIATIVE

Your Directors would like to draw your attention to Section 101 of the Companies Act, 2013 and other applicable provisions thereof read with Rule 18 of the Companies (Management & Administration) Rules, 2014 and Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 which *inter alia* allows paperless compliances and also service of notice/documents (including Annual Report) through electronic mode to its Members. To support this green initiative in full measure, we hereby once again appeal to all those Members who have not registered their email addresses so far to register their email addresses in respect of electronic holdings with their concerned Depository Participants and/or the Company.

## HUMAN RESOURCES

Based on the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, the Internal Complaints Committee of your Company informed that no case of sexual harassment was reported during the year under review.

The relations, during the financial year, between the employees and the Management of your Company continued to be cordial.

## ACKNOWLEDGEMENT

Your Directors wish to express their gratitude to the shareholders for their support. They also wish to acknowledge the spirit of dedication, commitment and cooperation extended by our employees.

For and on behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahendra S. Shah**  
Director

Place: Mumbai  
Date: May 30, 2017

## ANNEXURE "A"

### FORM No.AOC 1

Statement containing salient features of the financial statement of subsidiary

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

### Part "A" Subsidiaries

Name of the Subsidiary	:	Apple Asset Management Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	April 1, 2016 to March 31, 2017
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	:	Not applicable
Share Capital	:	₹ 11,20,00,000
Reserves & Surplus	:	(₹ 10,62,73,323)
Total Assets	:	₹ 5,24,28,086
Total Liabilities	:	₹ 4,67,01,403
Investments	:	₹ 5,24,14,613
Turnover	:	Nil
Profit before Taxation	:	(₹ 46,359)
Provision for Taxation	:	Nil
Profit after Taxation	:	(₹ 46,359)
Proposed Dividend	:	Nil
% of Shareholding	:	100%

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:-  
Not Applicable

For and on behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahendra S. Shah**  
Director

Place: Mumbai  
Date: May 30, 2017



## ANNEXURE "B"

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017  
(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management & Administration) Rules, 2014)

#### I. REGISTRATION & OTHER DETAILS:

1	CIN	L65910MH1985PLC037767
2	Registration Date	15/10/1985
3	Name of the Company	Apple Finance Limited
4	Category/Sub-category of the Company	Public Company - Limited by Shares
5	Address of the Registered Office & contact details	8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023, India Tel.: +91-22-2288 6100 Fax: 2288 6106
6	Whether listed company	Yes, on BSE Ltd.
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road Saki Naka, Andheri (East), Mumbai 400072. Tel.: +91-22-4043 0200 Fax: 2847 5207, Email: investor@bigshareonline.com Website: www.bigshareonline.com

#### 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)

Sr. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1	N.A.	N.A.	N.A.
2	N.A.	N.A.	N.A.
3	N.A.	N.A.	N.A.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Apple Asset Management Limited	U65990MH1993PLC074321	Subsidiary	100	2(87)(ii)

#### IV. SHARE HOLDING PATTERN

(Equity share capital break-up 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 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	13751596	–	13751596	24.70	13751596	–	13751596	24.70	0.00
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub Total (A) (1)</b>	13751596	–	13751596	24.70	13751596	–	13751596	24.70	0.00

# APPLE FINANCE LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRI Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Any other	–	–	–	–	–	–	–	–	–
<b>Sub Total (A) (2)</b>	–	–	–	–	–	–	–	–	–
<b>TOTAL (A)</b>	13751596	–	13751596	24.70	13751596	–	13751596	24.70	–
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	50	13265	13315	0.02	50	13265	13315	0.02	–
b) Banks / FI	3795	3555	7350	0.02	4535	22070	26605	0.05	262.00
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	200	200	–	–	200	200	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1)</b>	3845	17020	20865	0.04	4585	35535	40120	0.07	92.28
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3243269	131912	3375181	6.06	3028945	226802	3255747	5.85	(3.53)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12176519	14002979	26179498	47.02	11892388	13872723	25765111	46.29	(1.58)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8111063	36300	8147363	14.64	8433054	36300	8469354	15.21	3.95
c) Others (specify)									
Non Resident Indians	259597	621862	881459	1.58	261051	619962	881013	1.58	(0.05)
Overseas Corporate Bodies	–	–	–	–	1250	–	1250	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	–	–	–	–	191771	–	191771	0.34	0.34
Trusts	3217020	100140	3317160	5.96	3217020	100140	3317160	5.96	–
Foreign Bodies	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(2)</b>	27007468	14893193	41900661	75.26	27025479	14855927	41881406	75.23	(0.05)
<b>Total Public (B)</b>	27011313	14910213	41921526	75.30	27030064	14891462	41921526	75.30	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	40762909	14910213	55673122	100.00	40781660	14891462	55673122	100.00	–



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Chivas Trading Private Limited	3168216	5.69	—	3168216	5.69	—	—
2	Honcho Trading Private Limited	10583380	19.00	—	10583380	19.01	—	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year		No Change	—	—	No Change	—
	Changes during the year		No Change	—	—	No Change	—
	At the end of the year		No Change	—	—	No Change	—

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Apple Finance Employees Welfare Trust						
	At the beginning of the year	01/04/2016		3316680	5.96	3316680	5.96
	Changes during the year			—	—	—	—
	At the end of the year	31/03/2017		—	—	3316680	5.96
2	Bharat Equity Service Ltd.						
	At the beginning of the year	01/04/2016		1430000	2.57	1430000	2.57
	Changes during the year			—	—	—	—
	At the end of the year	31/03/2017		—	—	1430000	2.57
3	Apple Credit Corporation Ltd.						
	At the beginning of the year	01/04/2016		650000	1.16	650000	1.16
	Changes during the year			—	—	—	—
	At the end of the year	31/03/2017		—	—	650000	1.16
4	Manna Jitendra Shah						
	At the beginning of the year	01/04/2016		495000	0.89	495000	0.89
	Changes during the year			—	—	—	—
	At the end of the year	31/03/2017		—	—	495000	0.89
5	Gaurav Ashokkumar Gosalia						
	At the beginning of the year	01/04/2016		394700	0.71	394700	0.71
	Changes during the year			—	—	—	—
	At the end of the year	31/03/2017		—	—	394700	0.71
6	Ketan Dalpat Shah						
	At the beginning of the year	01/04/2016		300000	0.54	300000	0.54
	Changes during the year			—	—	—	—
	At the end of the year	31/03/2017		—	—	300000	0.54

# APPLE FINANCE LIMITED

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
7	Foujdar Avinash Sudhakar						
	At the beginning of the year	01/04/2016		226000	0.41	226000	0.41
	Changes during the year			–	–	–	–
	At the end of the year	31/03/2017		–	–	226000	0.41
8	Naresh Bhavanji Chheda						
	At the beginning of the year	01/04/2016		200000	0.36	200000	0.36
	Changes during the year			–	–	–	–
	At the end of the year	31/03/2017		–	–	200000	0.36
9	Karvy Stock Broking Limited						
	At the beginning of the year	01/04/2016		157405	0.28	157405	0.28
	Changes during the year		Transfer	–	–	6,888	(0.01)
	At the end of the year	31/03/2017		–	–	150517	0.27
10	Maltiben Ashokbhai Gosaliya						
	At the beginning of the year	01/04/2016		147400	0.26	147400	0.26
	Changes during the year			–	–	–	–
	At the end of the year	31/03/2017		–	–	147400	0.26

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mahesh Karsandas Rachh						
	At the beginning of the year	01/04/2016		–	–	–	–
	Changes during the year			–	–	–	–
	At the end of the year	31/03/2017		–	–	–	–
2	Mahesh Raghavan Menon						
	At the beginning of the year	01/04/2016		100	–	100	–
	Changes during the year			–	–	–	–
	At the end of the year	31/03/2017		–	–	100	–
3	Mahendra S. Shah						
	At the beginning of the year	01/04/2016		–	–	–	–
	Changes during the year			–	–	–	–
	At the end of the year	31/03/2017		–	–	–	–
4	Jacqueline Patel						
	At the beginning of the year	01/04/2016		–	–	–	–
	Changes during the year			–	–	–	–
	At the end of the year	31/03/2017		–	–	–	–
5	P. B. Deshpande						
	At the beginning of the year	01/04/2016		600	–	600	–
	Changes during the year			–	–	–	–
	At the end of the year	31/03/2017		–	–	600	–



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—
<b>Change in Indebtedness during the financial year</b>				
* Addition	—	—	—	—
* Reduction	—	—	—	—
Net Change	—	—	—	—
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	<b>Name</b>	<b>Mahesh K. Rachh</b>	₹
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2280000	2280000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	155600	155600
	(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: Company's contribution to P.F., Superannuation and Medical Reimbursement	287800	287800
	<b>Total (A)</b>	2723400	2723400
	Ceiling as per the Act	4200000	4200000

### B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	<b>Mahendra S. Shah</b>	<b>Jacqueline Patel</b>	₹
	Fee for attending Board/Committee meetings	6000	6000	12000
	Commission	—	—	—
	Others, please specify	—	—	—
	<b>Total (1)</b>	6000	6000	12000
2	Other Non-Executive Directors	<b>Mahesh Menon</b>		
	Fee for attending Board/Committee meetings	6000	—	6000
	Commission	—	—	—
	Others, please specify	—	—	—
	<b>Total (2)</b>	6000	—	6000
	<b>Total (B)=(1+2)</b>	12000	6000	18000
	<b>Total Managerial Remuneration</b>			2741400
	Overall Ceiling as per the Act	800000	400000	5400000



# APPLE FINANCE LIMITED

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
				P. B. Deshpande	
	<b>Name</b>				₹
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–	908952	908952
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	39600	39600
	(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: Company's Contribution to P.F., Superannuation and Medical Reimbursement			159050	159050
	<b>Total</b>	–	–	1107602	1107602

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

None

For and on behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahendra S. Shah**  
Director

Place: Mumbai  
Date: May 30, 2017



## ANNEXURE "C"

### FORM NO.MR 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017  
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Apple Finance Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Apple Finance Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 the Secretarial Audit, whereby we report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, 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:-

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 March 31, 2017 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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("the SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client.

We have also examined compliance with the applicable clauses of:-

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. The Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2).

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 observation:-

*As per the provision of Section 203 of the Companies Act, 2013 and the rules made thereunder, the Company was required to appoint following whole-time key managerial personnel:-*

- i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director;*
- ii) Company Secretary; and*
- iii) Chief Financial Officer.*

*However, the Company has not appointed a whole-time Chief Financial Officer during the audit period and the Management has informed us that they are under the process of appointing a whole-time Chief Financial Officer and the same will be appointed in due course.*

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

# APPLE FINANCE LIMITED

---

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

During the period of Audit, all the decisions in the Board Meetings were carried out unanimously.

We have relied on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure 'II'.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines (as mentioned above and listed in Annexure 'II').

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs.

**Pramod S. Shah & Associates  
(Practising Company Secretaries)**

Bharat Sompura – Partner  
Membership No.A10540  
C.P No.5540

Place: Mumbai  
Date: May 29, 2017

---

## ANNEXURE 'I'

To,  
The Members  
Apple Finance Limited

Our Report of even date is to be read along with this letter.

1. Maintenance of the secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and the books of account of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which, the management has conducted the affairs of the Company.

**Pramod S. Shah & Associates  
(Practising Company Secretaries)**

Bharat Sompura – Partner  
Membership No.A10540  
C.P No.5540

Place: Mumbai  
Date: May 29, 2017



## ANNEXURE 'II'

1. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
2. The Professional Tax Act, 1975 and Rules;
3. The Payment of Gratuity Act, 1972;
4. The Contract Labour (R&A) Act, 1970;
5. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
6. The Employees State Insurance Act, 1948;
7. The Equal Remuneration Act, 1976;
8. The Minimum Wages Act, 1948;
9. The Payment of Bonus Act, 1965;
10. The Shops and Establishments Act, 1948;
11. The Income Tax Act, 1961;
12. The Finance Act, as amended from time to time.

**Pramod S. Shah & Associates  
(Practising Company Secretaries)**

Bharat Sompura – Partner  
Membership No.A10540  
C.P No.5540

Place: Mumbai

Date: May 29, 2017

## ANNEXURE 'D'

### NOMINATION AND REMUNERATION POLICY

#### PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors is required to constitute the Nomination and Remuneration Committee. The Company has accordingly constituted the said Nomination and Remuneration Committee.

#### OBJECTIVE

The key objectives of the Nomination and Remuneration Committee are:-

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### DEFINITIONS

- "Board" means the Board of Directors of the Company.
- "Company" means Apple Finance Limited.
- "Independent Director" means a Director referred to in Section 149(6) of the Companies Act, 2013.
- "Key Managerial Personnel" ("KMP") means
  - (i) Chief Executive Officer or the Managing Director or the Manager
  - (ii) Chief Financial Officer
  - (iii) Company Secretary, and
  - (iv) Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of the Company's Board of Directors, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- "Policy" or "This Policy" means Nomination and Remuneration Policy.
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

# APPLE FINANCE LIMITED

- "Senior Management" means personnel of the Company who are members of its core management team excluding the Board of Directors. This would include all members of management one level below the Executive Directors, including all the functional heads.

## GUIDING PRINCIPLES

The Policy ensures that:-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## ROLE OF THE COMMITTEE

The role of the Committee *inter alia* will be the following:-

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
2. To formulate criteria for evaluation of Independent Directors and the Board.
3. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.
4. To carry out evaluation of every Director's performance.
5. To recommend to the Board the appointment and removal of Directors and Senior Management.
6. To recommend to the Board policy relating to remuneration for Directors, KMP and Senior Management.
7. To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. To devise a policy on Board diversity.
9. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
10. To perform such other functions as may be necessary or appropriate for the performance of its duties.

## APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:-
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
  3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution.
- Term/Tenure:-
  1. Managing Director/Whole-Time Director/Manager ("Managerial Person"):

The Company shall appoint or reappoint any person as its Managerial Person for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.
  2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board and will be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.
- Evaluation:

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria, which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment/reappointment/continuation of Directors on Board shall be subject to outcome of the yearly evaluation process.
- Removal:

Due to reasons of any disqualification mentioned in the Companies Act, 2013, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act.



- Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL/KMP AND SENIOR MANAGEMENT

- General:-

1. The remuneration/compensation/commission etc. to Managerial Persons, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the Company's shareholders and the Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the provisions of the Companies Act, 2013 and the rules made thereunder.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the shareholders in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- Remuneration to Managerial Person, KMP and Senior Management:-

1. Fixed Pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Companies Act, 2013. The break-up of the pay scale and quantum of perquisites including employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with Schedule V to the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- Remuneration to Non-Executive/Independent Directors:-

1. Remuneration/Commission:

The remuneration/commission shall be in accordance with the provisions of the Companies Act, 2013.

2. Sitting Fees:

The Non-Executive/Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committees or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration/Commission:

Remuneration/Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

For and on behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahendra S. Shah**  
Director

Place: Mumbai  
Date: May 30, 2017

# APPLE FINANCE LIMITED

## ANNEXURE "E"

### [Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-

The ratio of remuneration of each Director to the median remuneration of all employees who were on the payroll of the Company and the percentage change in remuneration of the Directors during the financial year 2016-2017 are given below:-

Director/Key Managerial Personnel	Ratio to Median	Percentage increase in remuneration
Mr. Mahesh K. Rachh	2.57	Not Applicable
Mr. P. B. Deshpande	1	14.26

Other Directors of the Company receive only Sitting Fees for attending Board meetings at the rate of ₹ 1,500 for each meeting and no other remuneration.

2. The percentage increase in the median remuneration of employees in the financial year:- 14.26%
3. The number of permanent employees on the rolls of Company:- 4.
4. The explanation on the relationship between average increase in remuneration and company performance:-  
The remuneration has been revised upward to cover the inflation costs.
5. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:-  
The remuneration of the Key Managerial Personnel has been fixed taking into account the years of experience, work profile and responsibility.
6. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:-  
The Company's market capitalization has increased from ₹ 10.13 crore as on March 31, 2016 to ₹ 15.14 crore as on March 31, 2017. Over the same period, the price earnings ratio moved from 12.59 to 263.62.  
The price of the Company's equity share as on March 31, 2017 has fallen by 94.56% to ₹ 2.72 over the last public offering in the financial year 1993-1994 at the price of ₹ 50 per share.
7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-  
The remuneration to the Managing Director was not revised during the financial year under review. In the case of Company Secretary, the revision is comparable to the remuneration revision granted to the employees.
8. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:-  
The remuneration of each of the Key Managerial Personnel is fixed taking into account the years of experience, work profile and responsibility of the respective employee and inflation costs.
9. The key parameters for any variable component of remuneration availed by the Directors:-  
Not applicable. There is no variable component of remuneration.
10. The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: None.
11. Affirmation that the remuneration is as per the remuneration policy of the Company:-  
The remuneration is as per the Company's Nomination and Remuneration Policy.
12. There are no employees within the purview of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahendra S. Shah**  
Director

Place: Mumbai  
Date: May 30, 2017



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interests of the Company, its Members and other stakeholders. The Board supports the broad principles of Corporate Governance. In order to attain the highest-level of good Corporate Governance practice, the Board lays strong emphasis on transparency, accountability and integrity.

### 2. BOARD OF DIRECTORS

As on March 31, 2017, the Company has four Directors which include a Managing Director. Out of the three Non-Executive Directors, two are the Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Both the Independent Directors of the Company have been appointed under Section 149 read with Section 152 of the Companies Act, 2013 and in accordance with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment can be accessed on the Company's website.

The names and categories of Directors on the Board, their attendance at Board meetings and at the last Annual General Meeting held during the financial year and the number of directorships and committee chairmanships/memberships held by them in other companies are given below. Chairmanship/membership of Board Committees includes only Audit and Stakeholders Relationship Committees.

Composition, category of Directors and their other directorships and Committee memberships as on March 31, 2017:-

Name of the Director	Category of Directorship	No. of other Directorships held in other companies
(1)	(2)	(3)
Mr. Mahesh K. Rachh	Managing Director (Executive Director)	Nil
Mr. Mahesh Raghavan Menon	Non-Executive Director	1
Mr. Mahendra S. Shah	Independent Director	1
Ms. Jacqueline K. Patel	Independent Director	Nil

No. of other Committee Memberships	Board meetings attended	Attendance at the last Annual General Meeting held on September 23, 2016
(4)	(5)	(6)
Nil	4	Present
1	4	Present
1	4	Present
Nil	4	Absent

The Company does not have a designated Chairman.

The Board of Directors of the Company met 4 (four) times during the financial year 2016-2017 i.e. on May 30, 2016, August 12, 2016, November 14, 2016 and February 14, 2017.

A separate meeting of the Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 31, 2017 as required under Schedule IV to the Companies Act, 2013.

None of the Directors is related to each other.

Except Mr. Mahesh Raghavan Menon, Director who holds 100 equity shares in the Company, none of the other Directors holds any shares in the Company.

The Familiarization Programme for Independent Directors can be accessed on <http://applefinance.co.in/pdf/policy/2016/Familiarization%20Programme%20For%20Independent%20Directors.pdf>

### 3. AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in line with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Audit Committee has three members, of these two are Independent Directors and one is the Managing Director.

The brief terms of reference of the Audit Committee includes *inter alia* the following in addition to those prescribed under Section 177(4) of the Companies Act, 2013:-

- Overseeing the Company's financial report process and the disclosure of its financial information.
- To review quarterly, half-yearly and annual financial results before submission to the Board.
- To review the statement of significant related party transactions submitted by the Management.
- To review the adequacy of internal control systems with the Management, statutory and internal auditors.
- Discussion with the statutory auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred to by the Board.

Members of the Audit Committee have requisite financial, legal and management expertise. Mr. Mahendra S. Shah is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

During the financial year 2016-2017, the Audit Committee met 4 (four) times to deliberate on various matters. The meetings were held on May 30, 2016, August 12, 2016, November 14, 2016 and February 14, 2017. The details of attendance are as follows:-



# APPLE FINANCE LIMITED

Name of the Member	Category of Directorship	Audit Committee meetings attended
Mr. Mahendra S. Shah	Independent Director	4
Ms. Jacqueline K. Patel	Independent Director	4
Mr. Mahesh K. Rachh	Managing Director	4

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company has been constituted in line with Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises Mr. Mahendra S. Shah, Chairman, Mr. Mahesh Raghavan Menon and Ms. Jacqueline K. Patel.

##### Brief terms of reference:-

The Committee is *inter alia* authorized to identify persons who are qualified to become Directors and who may be appointed in Senior Management, evaluation of Directors' performance, formulating criteria for determining qualifications, positive attributes and independence of a Director and recommending policy relating to the remuneration for the Directors, Key Managerial Personnel and employees.

During the financial year 2016-2017, the Nomination and Remuneration Committee met on May 30, 2016 and this meeting was attended by all the Members of the Committee.

##### Performance evaluation criteria for Independent Directors:-

Each Independent Director's performance is evaluated as required by Schedule IV to the Companies Act, 2013 having regard to the following criteria of evaluation viz. (i) preparedness (ii) participation (iii) value addition (iv) focus on governance and (v) communication.

#### 5. REMUNERATION OF DIRECTORS

Apart from sitting fees for attending Board meetings, no other fees/compensation is paid to the Non-Executive Directors of the Company. The Non-Executive Directors have no other pecuniary relationship or transactions with the Company. The Managing Director's remuneration is as approved by the shareholders at the General Meeting. Your Company does not have any Stock Option Scheme for Directors and employees.

Remuneration to Directors for the year 2016-2017:-

Name of Director	Gross Salary and Perquisites (₹)	Contribution to Provident Fund and Superannuation Fund (₹)	Sitting Fees (₹)
Mr. Mahesh K. Rachh	24,35,600	2,87,800	Nil
Mr. Mahesh Raghavan Menon	Nil	Nil	6,000
Mr. Mahendra S. Shah	Nil	Nil	6,000
Ms. Jacqueline K. Patel	Nil	Nil	6,000

There are no service contracts executed with the Directors and they have been appointed pursuant to the resolutions passed at the General Meetings.

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company has been constituted in line with Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178(5) of the Companies Act, 2013. This Committee comprises Mr. Mahendra S. Shah, Chairman, Mr. Mahesh Raghavan Menon and Mr. Mahesh K. Rachh. The Committee *inter alia* looks into redressing the grievances of the security holders of the Company.

During the financial year 2016-2017, 4 (four) meetings of the Stakeholders Relationship Committee were held on May 30, 2016, August 12, 2016, November 14, 2016 and February 14, 2017 and the same were attended by all the Members of the Committee.

Mr. P. B. Deshpande, Company Secretary is the Compliance Officer of the Company and also acts as the Secretary to the Committee.

Complaints received during the financial year 2016-2017:-

Nature of Complaint	Received	Cleared	Pending
Non-receipt of share Certificates	07	07	Nil
Non-receipt of dividend/ interest warrant	Nil	Nil	Nil
Others/miscellaneous	147	147	Nil
Total	154	154	Nil

The above information is based on the details received from the Company's Registrar & Transfer Agent.



## 7. GENERAL BODY MEETINGS

Annual General Meeting	Location	Date	Time
30 <sup>th</sup> Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 23, 2016	3.30 p.m.
29 <sup>th</sup> Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 24, 2015	3.30 p.m.
28 <sup>th</sup> Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 25, 2014	3.30 p.m.

Financial Year	Meeting	Date	Time	No. of Special Resolutions passed
2015-2016	30 <sup>th</sup> AGM	23.9.2016	3.30 p.m.	1
2014-2015	29 <sup>th</sup> AGM	24.9.2015	3.30 p.m.	1
2013-2014	28 <sup>th</sup> AGM	25.9.2014	3.30 p.m.	3

No Special Resolution was put through Postal Ballot in the last year.

There is no proposal to conduct Postal Ballot for any matter in the ensuing Annual General Meeting.

## 8. MEANS OF COMMUNICATION

The half-yearly/quarterly/annual financial results are filed with BSE Limited and also published in the newspapers (Mumbai edition) and are not being sent to each household of shareholders. The results are usually published in The Free Press Journal and Navshakti.

The Company posts the financial results on its own website [www.applefinance.co.in](http://www.applefinance.co.in). Wherever applicable, the Company also displays official news releases. The Company does not make presentations to institutional investors or analysts.

## 9. GENERAL SHAREHOLDER INFORMATION

- Date, time and venue of the 31<sup>st</sup> AGM : September 26, 2017 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001
- Financial Year : April 1, 2017 to March 31, 2018
- Adoption of Quarterly Results for the quarter ending - : on or before
- June 30, 2017 : August 14, 2017
- September 30, 2017 : November 14, 2017
- December 31, 2017 : February 14, 2018
- March 31, 2018 : May 30, 2018

- Date of Book Closure : September 22, 2017 to September 26, 2017 (both days inclusive)
- Dividend Payment Date : The Board of Directors has not recommended dividend
- Listing on Stock Exchange : The Company's equity shares are listed on BSE Limited, P. J. Towers, Dalal Street, Mumbai. The Company has paid the annual listing fees to BSE Limited for the financial year 2017-2018.
- Stock Code : 500014 on BSE Limited.
- ISIN Number for NSDL and CDSL : INE096A01010
- Market Price Data : The high and low prices of every month during the financial year 2016-2017 are given below:-

Year 2016-2017	High (₹)	Low (₹)	No. of Shares
April	2.65	1.75	169326
May	2.60	2.00	150836
June	2.54	1.82	217968
July	2.79	2.21	274812
August	2.50	1.87	167645
September	2.51	1.91	217395
October	3.39	2.02	653250
November	3.82	2.40	396922
December	3.20	2.15	159173
January	3.08	2.30	252819
February	3.00	2.32	449872
March	3.49	2.45	835130

- Registrar and Transfer Agents : Bigshare Services Private Limited  
Bharat Tin Works Building, Floor 1  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri (East)  
Mumbai 400 059  
Phone: +91-022-6263 8200  
Fax: +91-022-6263 8299  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

### • Share Transfer System:-

A Committee of Directors comprising Mr. Mahesh K. Rachh and Mr. Mahesh Raghavan Menon has been constituted to approve the transfer, transmission, dematerialization and rematerialization of shares, issue of duplicate share certificates and allied matters. The Company's Registrar & Transfer Agent, Bigshare Services Private Limited have adequate infrastructure to process share transfers and dematerialization of shares.

# APPLE FINANCE LIMITED

A predetermined process cycle at regular interval ensures transfer of shares expeditiously and thereafter an option letter is sent to the transferee(s) for dematerialization. In compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, every six months, a Practicing Company Secretary audits the system and a certificate to that effect is issued and filed with BSE Limited.

- Distribution of Shareholding as on March 31, 2017:

Shareholding	No. of Folios	% of Total	No. of Shares	% of Total
1-500	114971	94.31	16534809	29.70
501-1000	4060	3.33	3215349	5.78
1001- 2000	1455	1.19	2273023	4.08
2001- 3000	432	0.35	1122143	2.02
3001- 4000	189	0.16	687346	1.23
4001- 5000	241	0.20	1167977	2.10
5001- 10000	277	0.23	2128464	3.82
10001 and above	277	0.23	28544011	51.27
<b>Total</b>	<b>121902</b>	<b>100.00</b>	<b>55673122</b>	<b>100.00</b>

- 73.25% of the Company's equity share capital has been dematerialized up to March 31, 2017.
- The Company does not have outstanding GDRs/ADRs/Warrants or any Convertible instruments.
- The Company did not conduct any business activity during the financial year 2016-2017 and as such, it has nothing to report on commodity price risk, foreign exchange risk and hedging activities.
- Except the Registered Office, the Company does not have any other locations/offices, whether plant or branch office.
- Categories of Shareholding as on March 31, 2017:-

Category	No. of Shares held	Percentage of Shareholding
Promoters	13751596	24.70
Mutual Funds and Unit Trust of India	13315	0.02
Financial Institutions, Banks and Insurance Companies, Venture Capital Funds	26605	0.05
Foreign Institution Investors and Foreign Portfolio Investors	882463	1.59
Bodies Corporate	3255747	5.85
Others	37743396	67.79
<b>TOTAL</b>	<b>55673122</b>	<b>100.00</b>

- Address for correspondence:-  
The Company Secretary  
Apple Finance Limited  
8 Apeejay House, 130 Mumbai Samachar Marg  
Mumbai 400 023  
Email: info@applefinance.co.in

## 10. OTHER DISCLOSURES

- a) All transactions entered by the Company during the financial year 2016-2017 with related parties were in the ordinary course of business and on an arm's length basis and as such, outside the purview of Section 188 of the Companies Act, 2013. During the financial year 2016-2017, the Company had not entered into any contract/arrangement/transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The policy on materiality of related party transaction and dealing with related party transactions as approved by the Board may be accessed on <http://applefinance.co.in/pdf/policy/2016/Related%20Party%20Transaction%20Policy.pdf>

Your Directors draw attention of the Members to Note No.19(9) to the standalone financial statements, which sets out related party disclosures.

- b) The Company has complied with the requirements of BSE Limited, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures passed on the Company by BSE Limited, SEBI or any other statutory authority relating to the above.
- c) Whistle Blower Policy

The Company promotes ethical behavior in all its activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a vigil mechanism and Whistle Blower Policy under which the Directors, employees and/or other persons who avail the mechanism are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Whistle Blower Committee which operates under the supervision of the Audit Committee. Such persons may also report to the Chairman of the Audit Committee. During the financial year under review, no employee was denied access to the Audit Committee.

## 11. MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company is in compliance with the mandatory requirements laid down under the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has not yet adopted the discretionary requirements as specified in Part E of Schedule II to the said Regulations, however, the Company endeavours to do so in the future.

**12. COMPLIANCE WITH THE REQUIREMENTS OF CORPORATE GOVERNANCE REPORT**

The Company is in compliance with all requirements as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**13. DISCLOSURE OF ACCOUNTING TREATMENT DIFFERENT FROM ACCOUNTING STANDARDS**

None

**14. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

The Board of Directors has laid down the Code of Conduct for all Board members and members of the Senior Management. The Code is also placed on the Company’s website www.applefinance.co.in. A certificate from the Managing Director, affirming compliance of the Code by all the Board members and the members of Senior Management to whom the Code is applicable, is annexed to this Report.

Further, the Company’s Directors and the Senior Management have submitted disclosure to the Board that they do not have any material financial and commercial transactions that may have a potential conflict with the interest of the Company at large.

**15. MANAGING DIRECTOR’S CERTIFICATION**

The Managing Director gives annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Managing Director also gives quarterly certification on financial results to the Board in terms of Regulation 17(8) of the said Regulations.

For and on behalf of the Board

**Mahesh K. Rachh**  
*Managing Director*

**Mahendra S. Shah**  
*Director*

Place: Mumbai  
Date: May 30, 2017

**DECLARATION BY THE MANAGING DIRECTOR REGARDING AFFIRMATION BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF THE COMPANY OF THE CODE OF CONDUCT OF ITS DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

In terms of the requirement of Part D of Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this is to confirm that all Members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2017.

**Mahesh K. Rachh**  
*Managing Director*

Place: Mumbai  
Date: May 30, 2017

**AUDITORS’ CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Apple Finance Limited:-

We have examined the compliance of the conditions of Corporate Governance by Apple Finance Limited (“the Company”) for the financial year ended March 31, 2017, as stipulated in Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in the said Listing Regulations.

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.

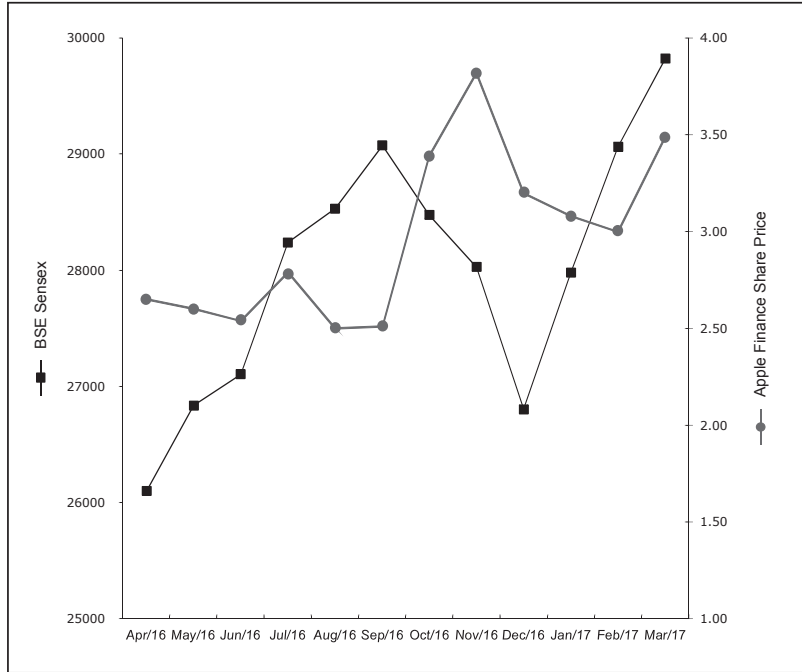
For **Mahendra Kumbhat & Associates**  
*Chartered Accountants*  
*Firm Regn. No.105770W*

**Amar Chand Bagrecha**  
*Partner*  
*Membership No.56605*

Place: Mumbai  
Date: May 30, 2017

# APPLE FINANCE LIMITED

The performance of share price of the Company in comparison with the BSE Sensex



## ROAD MAP FOR THE 31<sup>ST</sup> AGM VENUE





## INDEPENDENT AUDITORS' REPORT

To the Members of

### Apple Finance Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Apple Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Companies (Accounts) Rules, 2014 ("the Rules").

This responsibility also 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; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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.

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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2017 and its profit and cash flows for the year ended on that date, subject to:-

- a) **Point No.1 of Note '19' regarding going concern assumption of the Company.**
- b) **Point No.10 of Note '19' regarding non-consideration of Deferred Tax Assets (Net) amounting to ₹ 92,466,286.**

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in exercise of powers conferred by sub-section (11) of Section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone 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. On the basis of the written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the

# APPLE FINANCE LIMITED

Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and

- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts and as such, the question of commenting on any material foreseeable losses thereon does not arise;
- iii. There has not been an occasion, in case of the Company during the year under report, to transfer any sums to the Investor Education and Protection Fund. Therefore, the question of delay in transferring such sums does not arise.
- iv. The Company has provided requisite disclosure in the standalone financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representation, we report that the disclosure is in accordance with the books of account maintained by the Company and produced to us by the management. Refer Point No.12 of Schedule 19.

**For Mahendra Kumbhat and Associates**  
*Chartered Accountants*  
*Firm Regn. No.105770W*

**Amar Chand Bagrecha**  
*Partner*  
*Membership No.56605*

Place: Mumbai

Date: May 30, 2017

## **ANNEXTURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 8 to the standalone financial statements are held in the name of the Company.

2. The inventory has been physically verified at reasonable interval by the management during the year. The discrepancies noticed on physical verification, as compared to the book records, were not material and have been properly dealt with in the books of account.
3. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Hence, the question of reporting under sub-clauses (a), (b) and (c) of the Clause 3(iii) of the Order does not arise.
4. According to the information and explanations given to us the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
5. The Company has not accepted deposits from public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
6. We have been informed that the Central Government has not prescribed the maintenance of Cost records under Section 148(1) of the Act.
7. (a) We have been informed that during the year under review, the Company has regularly deposited all undisputed statutory dues including the Provident Fund, Employees' State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, wherever applicable. There were no arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (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 or Wealth Tax or Service Tax or Sales Tax or Customs Duty or Excise Duty or Cess which have not been deposited on account of any disputes.
8. According to the information and explanations given to us, the Company has neither issued any debentures nor has any borrowings from any financial institutions and banks. Accordingly, the reporting under Clause 3 (viii) of the Order is not applicable to the Company.
9. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) and term-loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

10. According to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanation given to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanation given to us, in our opinion, all transactions with related parties are in compliance with Sections 177 and 188 of the Act wherever applicable and the details have been disclosed in Notes to Accounts of Financial Statements as per Accounting Standard 18 "Related Parties Disclosures".
14. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanation given to us, the Company has not entered into non-cash transactions with Directors or persons connected with them. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
16. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Mahendra Kumbhat & Associates**  
Chartered Accountants  
Firm Regn. No.105770W

**Amar Chand Bagrecha**  
Partner  
Membership No.56605

Place: Mumbai  
Date: May 30, 2017

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

**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 Apple Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statement 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 the 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 Act.

**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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, and both issued by 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 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



# APPLE FINANCE LIMITED

---

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 the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2017, 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 ICAI.

For **Mahendra Kumbhat & Associates**  
*Chartered Accountants*  
*Firm Regn. No.105770W*

**Amar Chand Bagrecha**  
*Partner*  
*Membership No.56605*

Place: Mumbai  
Date: May 30, 2017



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

Particulars	Note	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	556,701,477	556,701,477
(b) Reserves and surplus	3	(281,099,468)	(281,673,902)
		<u>275,602,009</u>	<u>275,027,575</u>
<b>Non-current liabilities</b>			
(a) Long-term provisions	4	<u>69,033,020</u>	<u>69,033,020</u>
<b>Current liabilities</b>			
(a) Trade payables	5	198,651	832,884
(b) Other current liabilities	6	409,596	473,244
(c) Short-term provisions	7	<u>10,365,862</u>	<u>9,331,170</u>
		<u>10,974,109</u>	<u>10,637,298</u>
<b>Total</b>		<u><u>355,609,138</u></u>	<u><u>354,697,893</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		52,516,225	54,631,262
(b) Non-current investments	9	<u>54,406,412</u>	<u>54,406,412</u>
		<u>106,922,637</u>	<u>109,037,674</u>
<b>Current assets</b>			
(a) Inventories	10	24,675,000	24,675,000
(b) Cash and bank balances	11	207,928,340	204,870,710
(c) Short-term loans and advances	12	4,937,500	4,902,500
(d) Other current assets	13	<u>11,145,661</u>	<u>11,212,009</u>
		<u>248,686,501</u>	<u>245,660,219</u>
<b>Total</b>		<u><u>355,609,138</u></u>	<u><u>354,697,893</u></u>
Summary of significant accounting policies	1		
Notes to the financial statements	19		

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our attached Report of even date

**For Mahendra Kumbhat & Associates**

Chartered Accountants  
Firm Regn. No.105770W

**Amar Chand Bagrecha**

Partner  
Membership No.56605

Place: Mumbai

Dated: May 30, 2017

On behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahesh Menon**  
Director

**Mahendra S. Shah**  
Director

**Jacqueline Patel**  
Director

**P. B. Deshpande**  
Company Secretary

# APPLE FINANCE LIMITED

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

(₹)

Particulars	Note	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
I. Revenue from operations	14	2,500	6,000
II. Other income	15	15,576,848	22,723,417
III. <b>Total revenue</b>		15,579,348	22,729,417
IV. Expenses:			
Employee benefits expense	16	4,453,354	4,718,685
Depreciation and amortization expense	8	2,115,036	2,483,551
Other expenses	17	8,436,524	7,477,510
V. <b>Total expenses</b>		15,004,914	14,679,746
VI. Profit/(Loss) before exceptional and extraordinary items and tax		574,434	8,049,671
VII. Exceptional item		-	-
VIII. Profit/(Loss) before extraordinary items and tax		574,434	8,049,671
IX. Extraordinary Items - Prior Period Income		-	-
Extraordinary Items - Prior Period Expenses	17	-	-
X Profit/(Loss) before tax		574,434	8,049,671
XI Tax expense:			
(1) Current tax - Wealth Tax		-	350
(2) Deferred tax		-	-
XII <b>Profit/(Loss) for the period from continuing operations</b>		574,434	8,049,321
XIII Profit/(Loss) from discontinuing operations		-	-
XIV Tax expense of discontinuing operations		-	-
XV <b>Profit/(Loss) from discontinuing operations (after tax)</b>		-	-
XVI <b>Profit/(Loss) for the period</b>		574,434	8,049,321
XVII Earnings per equity share:	18		
(1) Basic		0.01	0.14
(2) Diluted		0.01	0.14

Summary of significant accounting policies 1

Notes to the financial statements 19

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our attached Report of even date

**For Mahendra Kumbhat & Associates**

Chartered Accountants  
Firm Regn. No.105770W

**Amar Chand Bagrecha**

Partner  
Membership No.56605

Place: Mumbai

Dated: May 30, 2017

On behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahesh Menon**  
Director

**Mahendra S. Shah**  
Director

**Jacqueline Patel**  
Director

**P. B. Deshpande**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

(₹)

Particulars	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>A. Cash flow from operating activities:</b>		
Net profit before extraordinary items	574,434	8,049,321
Adjustments for:		
Depreciation	2,115,036	2,483,551
Profit/(Loss) on Sale of Assets and Investments	-	(50,901)
Investment Income - Dividend/Interest	(15,493,498)	(22,446,962)
	(13,378,462)	(20,014,311)
<b>Operating profit before working capital changes</b>	(12,804,028)	(11,964,990)
Adjustments for:		
Trade payables and other short-term liabilities	336,811	524,974
Loans and Advances (net)	291,476	(22,374)
	628,287	502,600
Cash generated from operations	(12,175,741)	(11,462,390)
Interest paid	-	-
Direct taxes paid (-)/Refund of Income Tax (+)	(260,126)	(933,450)
	(260,126)	(933,450)
Cash flow before extraordinary items	(12,435,867)	(12,395,840)
Extraordinary items	-	-
Net cash from operating activities	<b>A</b> (12,435,867)	(12,395,840)
<b>B. Cash flow from investing activities:</b>		
Purchase and sale of fixed assets including advances given for work-in-progress	-	(774,099)
Investment redemption/sold	-	-
Interest received	15,419,478	17,143,185
Dividend received	74,020	5,303,777
Net cash used in investing activities	<b>B</b> 15,493,497	21,672,862
<b>C. Cash flow from financing activities:</b>		
Proceeds from long-term borrowings (net)	-	-
Net cash used in financing activities	<b>C</b> -	-
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	3,057,630	9,277,022
<b>Cash and cash equivalents as at the beginning of the year (opening balance)</b>	204,870,710	195,593,688
<b>Cash and cash equivalents as at the end of the year (closing balance)</b>	207,928,340	204,870,710

Notes:

1. Cash and cash equivalents include cash and cheques in hand and balances with scheduled banks.
2. Previous year's figures have been regrouped/rearranged wherever necessary.

As per our attached Report of even date

**For Mahendra Kumbhat & Associates**Chartered Accountants  
Firm Regn. No.105770W**Amar Chand Bagrecha**Partner  
Membership No.56605

Place: Mumbai

Dated: May 30, 2017

On behalf of the Board

**Mahesh K. Rachh**  
Managing Director**Mahesh Menon**  
Director**Mahendra S. Shah**  
Director**Jacqueline Patel**  
Director**P. B. Deshpande**  
Company Secretary

# APPLE FINANCE LIMITED

## NOTE "1" SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Convention and Concepts

The Company follows the Historical Cost Convention and the Mercantile System of Accounting where the income and expenditure are recognized on accrual basis.

### 2. Fixed Assets

Fixed assets are valued at cost less depreciation. Cost includes all expenses incurred for acquisition of assets.

### 3. Depreciation

The Company provides depreciation on straight-line method on the basis of useful life of the assets as specified in Schedule II to the Companies Act, 2013.

### 4. Investments

All investments are stated at cost of acquisition. The investments sold during the year are accounted on first-in-first-out basis and investments purchased and sold during the year are shown on net basis. Provision is made for diminution in the value of investments, wherever required.

### 5. Valuation of Stocks

Stock of shares and securities are valued at cost or fair value, whichever is less.

### 6. Retirement Benefits

The provision for retirement benefits such as provident fund, gratuity and superannuation is made for employees from the date of their respective appointment:-

- (i) The Company's contribution to the Provident Fund, Pension Fund, Superannuation Fund and other fund is charged to the Profit and Loss Account.
- (ii) The amount of Gratuity liability as ascertained on the basis of actuarial valuation by Life Insurance Corporation of India is paid/provided and charged to the Profit and Loss Account.
- (iii) Provision is made towards liability for leave encashment.

### 7. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## NOTE "2" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

SHARE CAPITAL	Par Value per share (₹)	Balance Outstanding as at 31 <sup>st</sup> March 2016		Issued/(Reductions) during the year		Balance Outstanding as at 31 <sup>st</sup> March 2017	
		No. of Shares	Value (₹)	No. of Shares	Value (₹)	No. of Shares	Value (₹)
<b>Equity Share Capital</b>							
Authorized	10	75,000,000	750,000,000	-	-	75,000,000	750,000,000
Issued, Subscribed and Paid-up	10	55,673,122	556,731,220	-	-	55,673,122	556,731,220
Less: Calls in arrears by others		-	29,743	-	-	-	29,743
	10	55,673,122	556,701,477	-	-	55,673,122	556,701,477
<b>Preference Share Capital</b>							
Authorized	100	7,500,000	750,000,000	-	-	7,500,000	750,000,000
Issued, Subscribed and Paid-up	100	-	-	-	-	-	-

	Par Value per share (₹)	No. of Shares	Value (₹)	Holding (%)	No. of Shares	Value (₹)	Holding (%)
		31/03/2016	31/03/2016	31/03/2016	31/03/2017	31/03/2017	31/03/2017
<b>Share held by Holding Company</b>							
Not Applicable							
<b>Holding more than 5%</b>							
Honcho Trading Private Limited	10	10,583,380	105,833,800	19.01	10,583,380	105,833,800	19.01
Chivas Trading Pvt. Ltd.	10	3,168,216	31,682,160	5.69	3,168,216	31,682,160	5.69
Apple Finance Employees Welfare Trust	10	3,316,680	33,166,800	5.96	3,316,680	33,166,800	5.96

Note: The Company has not allotted any shares during the last five years, preceding March 31, 2017

**NOTE "3" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

<b>RESERVES AND SURPLUS</b>	<b>Balance as on 31<sup>st</sup> March 2016</b>	<b>Additions/ Deductions/ Appropriations</b>	<b>Balance as on 31<sup>st</sup> March 2017</b>
Capital Redemption Reserve	20,000,000	-	20,000,000
Debenture Redemption Reserve	100,000,000	-	100,000,000
General Reserve	400,000,000	-	400,000,000
Surplus at the beginning of the year	(1,312,633,506)	-	-
Add: Profit after tax for the year	-	574,434	-
Surplus at the end of the year	-	-	(1,312,059,072)
Capital Reserve	6,933,420	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,184	-	427,026,184
Reserve Fund under Section 45IC(1) of the Reserve Bank of India Act, 1934	77,000,000	-	77,000,000
<b>Total</b>	<b>(281,673,902)</b>	<b>574,434</b>	<b>(281,099,468)</b>

**NOTE "4" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

<b>LONG-TERM PROVISIONS</b>	<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>Additions</b>	<b>Utilizations</b>	<b>Reversals</b>	<b>Balance as at 31<sup>st</sup> March 2017</b>
Provisions for Non-Performing Assets	69,033,020	-	-	-	69,033,020
<b>Total</b>	<b>69,033,020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,033,020</b>

**NOTE "5" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

<b>TRADE PAYABLES</b>	<b>As at 31<sup>st</sup> March 2017</b>	<b>As at 31<sup>st</sup> March 2016</b>
Others	198,651	832,884
<b>Total</b>	<b>198,651</b>	<b>832,884</b>

**NOTE "6" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

<b>OTHER CURRENT LIABILITIES</b>	<b>As at 31<sup>st</sup> March 2017</b>	<b>As at 31<sup>st</sup> March 2016</b>
Other Payable	328,289	313,081
Duties and Taxes Payable	81,307	160,163
<b>Total</b>	<b>409,596</b>	<b>473,244</b>

**NOTE "7" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

<b>SHORT-TERM PROVISIONS</b>	<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>Additions</b>	<b>Utilizations</b>	<b>Reversals</b>	<b>Balance as at 31<sup>st</sup> March 2017</b>
Provision for employee benefits	628,614	77,980	42,408	-	664,186
Provision for expenses	8,702,556	9,701,676	8,702,556	-	9,701,676
<b>Total</b>	<b>9,331,170</b>	<b>9,779,656</b>	<b>8,744,964</b>	<b>-</b>	<b>10,365,862</b>

# APPLE FINANCE LIMITED

## NOTE "8" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

FIXED ASSETS	Gross Block as at 1 <sup>st</sup> April 2016	Additions	Deletions	Gross Block as at 31 <sup>st</sup> March 2017	Depreciation up to 31 <sup>st</sup> March 2016	Depreciation for the year	Depreciation on deductions	Depreciation up to 31 <sup>st</sup> March 2017	Impairment losses/ reversals	Net Block as at 31 <sup>st</sup> March 2017
<b>Tangible Assets</b>										
Land										
- Freehold	955,066	-	-	955,066	-	-	-	-	-	955,066
Buildings										
- Owned	83,986,390	-	-	83,986,390	31,338,370	1,416,425	-	32,754,795	-	51,231,595
Plant and Equipment										
- Owned										
Office Equipment	4,047,326	-	-	4,047,326	4,041,805	5,520	-	4,047,326	-	-
Computers	18,218,498	-	-	18,218,498	18,147,714	58,817	-	18,206,531	-	11,967
Electrical Fittings	1,390,185	-	-	1,390,185	1,292,944	97,241	-	1,390,185	-	-
Furniture and Fixtures	16,580,813	-	-	16,580,813	16,052,347	386,496	-	16,438,842	-	141,971
Vehicles	1,636,924	-	-	1,636,924	1,310,760	150,537	-	1,461,297	-	175,627
<b>Total</b>	126,815,202	-	-	126,815,202	72,183,940	2,115,036	-	74,298,976	-	52,516,225
<b>Previous Year</b>	126,973,826	825,000	983,624	126,815,202	70,684,013	2,483,551	983,624	72,183,940	-	54,631,262

## NOTE "9" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

NON-CURRENT INVESTMENTS	No. of Securities	Face Value (₹)	As at 31 <sup>st</sup> March 2017 (₹)	As at 31 <sup>st</sup> March 2016 (₹)
<b>Trade Investments</b> (Fully paid unless otherwise stated)				
<b>Quoted Investments - Equity Shares (At cost)</b>				
Ambika Cotton Mills Limited	180,233	10	8,651,200	8,651,200
Anjani Solvents India Limited	74,853	10	748,530	748,530
Anod Plasma Spray Limited	75,000	10	750,000	750,000
Cipla Limited	36,510	2	652,302	652,302
Indian Lead Limited	332,066	10	12,331,200	12,331,200
Inland Printers Limited	33,300	10	1,998,000	1,998,000
Pittie Cements & Industries Limited	118,126	10	12,993,860	12,993,860
Sagar Tourist Resorts Limited	21,342	10	213,420	213,420
Shri Renuga Textiles Limited	40,000	10	6,000,000	6,000,000
Vital Foods Limited	93,900	10	1,032,900	1,032,900
<b>Total (A)</b>			45,371,412	45,371,412
<b>Unquoted Investments - Equity Shares (At cost)</b>				
Aldrich Pharmaceuticals Limited	210,000	10	7,035,000	7,035,000
Spectrum Alkyd & Resins Limited	133,333	10	1,500,000	1,500,000
Vijaya Home Loans Limited	50,000	10	500,000	500,000
<b>Total (B)</b>			9,035,000	9,035,000
<b>Total (A) + (B)</b>			54,406,412	54,406,412
<b>NON-CURRENT INVESTMENTS</b>			<b>Cost (₹)</b>	<b>Market Value (₹)</b>
Aggregate Value of Quoted Investment				
Equity Shares (Previous Year)			45,371,412 (45,371,412)	256,807,611*** (163,328,277)
Aggregate Value of Unquoted Investment				
Equity Shares (Previous Year)			9,035,000 (9,035,000)	
<b>Total</b> (Previous Year)			54,406,412 (54,406,412)	

\*\*\* Market value of quoted investments includes only market value of Cipla Limited and Ambika Cotton Mills Limited since other quoted shares' market value is not available.



**NOTE "10" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

INVENTORIES (Valued at cost or market value whichever is less)	As on 31 <sup>st</sup> March 2017			As on 31 <sup>st</sup> March 2016		
	Inventory (₹)	Goods- in- Transit	Final Value (₹)	Inventory (₹)	Goods- in- Transit	Final Value (₹)
<b>Unquoted Equity Shares</b>						
1,41,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	-	24,675,000	24,675,000	-	24,675,000
<b>Total</b>	24,675,000	-	24,675,000	24,675,000	-	24,675,000

Note: Market value of Stock-in-Trade is not available and, therefore, it is valued at cost.

**NOTE "11" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

CASH AND BANK BALANCES	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Cash and Cash Equivalents</b>		
Cash on hand	38,010	21,978
Balance with Banks	1,042,613	3,255,872
Bank Deposits (less than 3 months maturity)*	-	159,703,170
	1,080,623	162,981,019
<b>Others</b>		
Bank Deposits (more than 3 months but less than 12 months maturity)	35,907,777	21,839,691
Bank Deposits (more than 12 months maturity)**	170,939,940	20,050,000
	206,847,717	41,889,691
<b>Total</b>	207,928,340	204,870,710

\*\*Out of which ₹ 17,08,89,940 is under lien with Kotak Mahindra Bank Ltd.

\*(Previous year ₹ 15,97,03,170)

**NOTE "12" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

SHORT-TERM LOANS AND ADVANCES	As on 31 <sup>st</sup> March 2017				As on 31 <sup>st</sup> March 2016			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
<b>Loans and advances to related parties</b>								
Subsidiary Company								
Apple Asset Management Limited	-	4,937,500	-	4,937,500	-	4,902,500	-	4,902,500
Less: Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
<b>Total</b>	-	4,937,500	-	4,937,500	-	4,902,500	-	4,902,500
<b>Other loans and advances</b>								
Less: Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-
<b>Grand Total</b>	-	4,937,500	-	4,937,500	-	4,902,500	-	4,902,500



# APPLE FINANCE LIMITED

## NOTE "13" TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

OTHER CURRENT ASSETS	As on 31 <sup>st</sup> March 2017				As on 31 <sup>st</sup> March 2016			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Interest accrued on Fixed Deposits with Banks	-	2,301,271	-	2,301,271	-	2,631,597	-	2,631,597
Security Deposits	-	416,760	-	416,760	-	416,760	-	416,760
Prepaid Expenses	-	38,841	-	38,841	-	44,022	-	44,022
Other Receivables	-	2,184,034	-	2,184,034	-	2,175,000	-	2,175,000
Advance Income Tax and TDS	-	6,020,538	-	6,020,538	-	5,760,412	-	5,760,412
Sales Tax paid against appeal	-	184,217	-	184,217	-	184,217	-	184,217
Service Tax Credit	-	-	-	-	-	-	-	-
<b>Total</b>	-	11,145,661	-	11,145,661	-	11,212,008	-	11,212,008

## NOTE "14" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017

(₹)

REVENUE FROM OPERATIONS	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
Hire-Purchase Income	2,500	6,000
Receipt against debts written off	-	-
<b>Total</b>	2,500	6,000

## NOTE "15" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017

(₹)

OTHER INCOME	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
Interest (TDS ₹ 15,42,456; Previous Year ₹ 17,14,347)	15,419,478	17,143,185
Interest on Income Tax Refund	83,350	61,873
Dividend Income:		
- Others	74,020	5,303,777
Profit on sale of Fixed Assets	-	50,901
Miscellaneous Income	-	163,681
<b>Total</b>	15,576,848	22,723,417

## NOTE "16" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017

EMPLOYEE BENEFITS EXPENSES	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
Salaries and wages	3,806,058	3,833,955
Contribution to Provident and other funds	601,812	620,537
Staff welfare expenses	45,484	264,193
<b>Total</b>	4,453,354	4,718,685


**NOTE "17" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017**

(₹)

<b>OTHER EXPENSES</b>	<b>Year ending 31<sup>st</sup> March 2017</b>	<b>Year ending 31<sup>st</sup> March 2016</b>
Electricity Charges	269,900	326,708
Repairs to Machinery	38,938	41,384
Repairs to Building	59,490	-
Repairs and Maintenance - Others	29,421	34,887
Insurance	23,255	22,850
Rates and Taxes	278,904	289,304
Society Charges	815,846	873,709
Legal and Professional fees	969,211	1,077,992
ROC Filing Fees	9,180	11,016
Printing and Stationery	41,228	40,116
Telephone and Fax Expense	156,150	150,439
Courier Expenses	15,615	7,156
Security and Service Charges	467,969	644,451
Travelling Expenses (including Foreign Travel)	1,049,972	90,241
Conveyance	15,411	9,356
Motor Car Expenses	1,046,167	710,278
AGM Expenses	1,631,535	1,436,720
Registrar, Share and Debenture Expenses	853,435	1,062,211
Directors' Sitting Fees	18,000	18,000
Membership and Subscription	1,625	2,625
Bank Charges	659	115
Books and Periodicals	10,655	9,213
Miscellaneous Expenses	30,208	17,864
Payments to the Auditors:		
(a) as Auditors	402,500	400,750
(b) for Tax Audit	115,000	114,500
(c) for Limited Review Audit	86,250	85,625
<b>Total</b>	<b>8,436,524</b>	<b>7,477,510</b>

**NOTE "18" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017**

(₹)

<b>EARNING PER SHARE</b>	<b>Year ending 31<sup>st</sup> March 2017</b>	<b>Year ending 31<sup>st</sup> March 2016</b>
(a) Net Profit after tax attributable to Equity Shareholders for Basic EPS	574,434	8,049,321
Add/Less: Adjustment relating to potential equity shares	-	-
	574,434	8,049,321
(b) Weighted average number of equity shares outstanding during the year		
For Basic Earning Per Share	55,673,122	55,673,122
For Diluted Earning Per Share	55,673,122	55,673,122
(c) Basic Earning Per Share	0.01	0.14
Diluted Earning Per Share	0.01	0.14
Face Value Per Equity Share	10	10
(d) Reconciliation between number of shares used for calculating basic and diluted earning per share		
Particulars:		
No. of shares used for calculating basic earning per share	55,673,122	55,673,122
Add: Potential equity shares	-	-
No. of shares used for calculating diluted earning per share	55,673,122	55,673,122

# APPLE FINANCE LIMITED

## NOTE "19" - NOTES TO ACCOUNTS

Notes forming part of the Accounts for the year ended 31<sup>st</sup> March 2017

	As at 31 <sup>st</sup> March 2017 (₹)	As at 31 <sup>st</sup> March 2016 (₹)
(1) As the business was unviable, the Company surrendered its Certificate of Registration of Non-Banking Financial Institution to Reserve Bank of India. Reserve Bank of India has cancelled the said Certificate of Registration vide their letter No. DNBS. MRO.No.4716 & 4869/02.01.60.Apple/2003-04 dated January 13, 2004 and January 18, 2004. In view of this, in terms of Section 45-IA of the RBI Act, 1934, now the Company is not entitled to carry on the business of Non-Banking Financial Institution. However, the Company can in future carry on the business of Non-Banking Financial Institution after taking necessary approval from Reserve Bank of India. The Company does have business income from Interest, etc. and also has Stock-in-Trade for business and hence, accounts have been prepared on the Going Concern Basis and Historical Cost Method.		
(2) Contingent Liabilities in respect of: In the matter of assignment of the Company's rights, title and interest arising out of the Agreement to Lease dated April 3, 1995 made between the Company and MMRDA and the lease of the land and the building constructed thereon, pursuant to the Consent Terms entered into by the Company with Kotak Mahindra Bank Limited and another in Suit No.162 of 2002 before the Bombay High Court, ₹ 10 crore have been retained by Kotak Mahindra Bank Limited under a lien marked Fixed Deposit of the said Bank, for meeting any contingent liability that may arise in future. The Company's liability, however, shall in any event not exceed ₹ 10 crore in terms of Clause 4 of the Agreement between the Company as the Borrower and Apple Credit Corporation Limited, Just Software Private Limited and Seismograph Securities Private Limited (all Confirming Parties) and Kotak Mahindra Bank Limited as Lender and Kotak Mahindra Prime Limited as Confirming Party in the Indenture dated March 30, 2009.	100,000,000	100,000,000
(3) The Company has been advised that it does not have taxable income as per the income computation under the Income-tax Act, 1961 for the current financial year and accordingly, no provision for Income Tax has been made in the Profit and Loss Account of the Company.		
(4) (a) All investments are in the name of the Company, except those under transfer/delivery. (b) All the investments are held by the Company as long-term investments, except shown as Stock-in-Trade.		
(5) Remuneration to Directors:  (a) Remuneration paid to the Managing Director:		
	For the year ended 31 <sup>st</sup> March 2017 (₹)	For the year ended 31 <sup>st</sup> March 2016 (₹)
Salaries and contribution to the Provident and other funds	2,567,800	2,555,525
Perquisites*	155,600	155,600
<b>Total</b>	<b>2,723,400</b>	<b>2,711,125</b>
* Value of perquisites is determined as per the Income-tax Rules, 1962.		
(b) Since no commission is paid/payable to any Director, the computation of profits under Section 198 of the Companies Act, 2013 has not been made.		

- (6) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.
- (7) There are no separate reportable segments.
- (8) Demat Account holding statement as on 31.3.2017 includes 500 equity shares of Swelect Energy Systems Limited, which were already sold by the Company. However, the same have not been transferred by the transferee in its own name. Consequently, dividends received on the said shares have been considered as current liability.
- (9) Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

Name of related party and nature of relationship	For the year ended 31 <sup>st</sup> March 2017 (₹)	For the year ended 31 <sup>st</sup> March 2016 (₹)
(i) Directors/Key Managerial Personnel: Remuneration Mr. Mahesh K. Rachh, Managing Director	2,723,400	2,711,125
(ii) Directors and their relatives - Professional Fees Mrs. Anita Menon: Director's spouse	120,000	120,000
iii) Directors Sitting fees Mr. Mahesh Menon, Director Mr. Mahendra Shah, Director Mrs. Jacqueline Patel, Director	6,000 6,000 6,000	6,000 6,000 6,000
iv) Loans and advances Apple Asset Management Limited - Subsidiary Company [Maximum amount outstanding during the year ₹ 49,37,500 (Previous Year - ₹ 49,02,500)]	4,937,500	4,902,500

- (10) Consequent to the issuance of the Accounting Standard 22 "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India, which is mandatory, the Company has had Deferred Tax Assets (net) of ₹ 9,24,66,286. In the opinion of the Board of Directors, it is unlikely that the Company would be able to take advantage of Deferred Tax Assets in the near future and accordingly, Deferred Tax Asset has not been considered.

Particulars	As at 31 <sup>st</sup> March 2017 (₹)	As at 31 <sup>st</sup> March 2016 (₹)
Deferred Tax Asset:		
(1) Provision for Non-Performing Assets and Diminution in the value of Investments	23,890,948	22,397,763
(2) Carry forward losses (including Unabsorbed Depreciation)	85,202,247	151,918,030
(3) Depreciation	(16,626,908)	(16,125,506)
Deferred Tax Asset (net)	92,466,286	158,190,287

- (11) (a) Details of Stock of Shares and Securities:-

Particulars	As at 31 <sup>st</sup> March 2017 (₹)	As at 31 <sup>st</sup> March 2016 (₹)
Unquoted 141,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	24,675,000 24,675,000	24,675,000 24,675,000

# APPLE FINANCE LIMITED

(b) Quantitative Details:-

(i) Opening Stock	Quantity (Nos.)	141,000	141,000
	Value (₹)	24,675,000	24,675,000
(ii) Purchases/Received against Claims/Acquisition on Merger/Bonus	Quantity (Nos.)	-	-
	Value (₹)	-	-
(iii) Sales/Reduction on Merger	Quantity (Nos.)	-	-
	Value (₹)	-	-
(iv) Closing Stock	Quantity (Nos.)	141,000	141,000
	Value (₹)	24,675,000	24,675,000

				(₹)
(12) Particulars	Specified Bank Notes (₹ 1,000 and ₹ 500)	Other Denomination Notes	Total	
Closing cash in hand as on November 8, 2016	21,000	2,570	23,570	
(+) Permitted receipts	-	-	-	
(-) Permitted payments	-	80,773	80,773	
(+) Amount withdrawn from Banks	-	100,000	100,000	
(-) Amount deposited in Banks	21,000	-	21,000	
Closing cash in hand as on December 30, 2016	-	21,797	21,797	

(13) As per the Accounting Standard 13, Stock-in-Trade (Shares) is required to be recognised at cost or fair value whichever is less, however, the same has not been followed as fair value of the shares are not available because those Company's shares are not quoted in the stock market. Hence, provision for the same has been made.

(14) Cash Flow is prepared as per Indirect Method.

(15) The previous year's figures have been reworked, regrouped, rearranged and reclassified, wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year's financial statement and are to be read in relation to the amount and other disclosure relating to the current year.

Signatures to Note "1" to "19"

As per our attached Report of even date

**For Mahendra Kumbhat & Associates**

Chartered Accountants

Firm Regn. No.105770W

**Amar Chand Bagrecha**

Partner

Membership No.56605

Place: Mumbai

Dated: May 30, 2017

On behalf of the Board

**Mahesh K. Rachh**

Managing Director

**Mahesh Menon**

Director

**Mahendra S. Shah**

Director

**Jacqueline Patel**

Director

**P. B. Deshpande**

Company Secretary



## INDEPENDENT AUDITORS' REPORT

To the Members of

### Apple Finance Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Apple Finance Limited ("the Holding Company"), and its subsidiary (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after 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 Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity 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 Holding Company's Board of Directors is 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 consolidated 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.

#### Auditors' 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 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 controls relevant to the Holding Company's preparation of the consolidated financial opinion on the consolidated financial statements. Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, 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 state of affairs of the Group as at March 31, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date, subject to:

- a) **Point No.1 of Note 18 regarding going concern assumption of the Company.**
- b) **Point No.10 of Note 18 regarding non-consideration of Deferred Tax Assets (Net) amounting to ₹ 92,466,286.**

#### Other Matter

We did not audit the financial statements of Apple Asset Management Limited (Subsidiary Company), whose financial statements reflect **total assets of ₹ 57,26,677 (excluding debit balance of ₹ 106,273,323 in the Profit and Loss Statement) as at March 31, 2017 and total Revenue of ₹ Nil and net cash outflows amounting to ₹ 11,284** for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has 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 the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditors.

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 matter with respect to our reliance on the work done and the report of the other auditors.

# APPLE FINANCE LIMITED

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of the subsidiary company as noted in the "Other Matters" paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, 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 report 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, 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. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2017, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the Directors of the Group is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary, refer to our separate report in Annexure 'A'; and
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors on separate financial statements as also the other financial information of subsidiary company, as noted in the "Other Matters" paragraph:-
    - i. The Consolidated Financial Statements have disclosed the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements;
    - ii. The Group did not have any long-term contracts including derivative contracts and as such, the question of commenting on any material foreseeable losses thereon does not arise;

- iii. There has not been an occasion, in case of the Group during the year under report, to transfer any sums to the Investor Education and Protection Fund. Therefore, the question of delay in transferring such sums does not arise.
- iv. The Holding Company has provided requisite disclosure in the consolidated financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representation, we report that the disclosure is in accordance with the books of account maintained by the Holding Company and produced to us by the management. Refer Point No.12 of Note 18.

**For Mahendra Kumbhat and Associates**  
*Chartered Accountants*  
*Firm Regn. No.105770W*

**Amar Chand Bagrecha**  
*Partner*  
*Membership No.56605*

Place: Mumbai  
Date: May 30, 2017

## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

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

In conjunction with our audit of the consolidated financial statements of Apple Finance Limited ("the Holding Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, as of that date.

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

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on respective internal control over financial reporting criteria established by the Holding Company and its subsidiary 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 the respective 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 Act.



## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's and its subsidiary 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 control 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 Act, to the extent applicable to an audit of internal financial controls, 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 and the audit evidence obtained by the other auditors of the subsidiary company in terms of their report referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary have, 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary 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.

## **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

## **For Mahendra Kumbhat and Associates**

*Chartered Accountants  
Firm Regn. No.105770W*

## **Amar Chand Bagrecha**

*Partner  
Membership No.56605*

Place: Mumbai  
Date: May 30, 2017



# APPLE FINANCE LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

Particulars	Note	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	55,67,01,477	55,67,01,477
(b) Reserves and surplus	3	(38,73,72,791)	(38,79,00,866)
		<u>16,93,28,686</u>	<u>16,88,00,611</u>
<b>Non-current liabilities</b>			
(a) Long-term provisions	4	22,27,66,190	22,27,66,190
		<u>22,27,66,190</u>	<u>22,27,66,190</u>
<b>Current liabilities</b>			
(a) Trade payables	5	2,29,384	8,63,542
(b) Other current liabilities	6	4,09,596	4,73,244
(c) Short-term provisions	7	1,03,65,862	93,31,170
		<u>1,10,04,842</u>	<u>1,06,67,956</u>
<b>Total</b>		<u><u>40,30,99,718</u></u>	<u><u>40,22,34,757</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		5,25,16,225	5,46,31,262
(b) Non-current investments	9	10,68,21,025	10,68,21,025
		<u>15,93,37,250</u>	<u>16,14,52,287</u>
<b>Current assets</b>			
(a) Inventories	10	2,46,75,000	2,46,75,000
(b) Cash and bank balances	11	20,79,41,808	20,48,95,462
(c) Other current assets	12	1,11,45,660	1,12,12,008
		<u>24,37,62,468</u>	<u>24,07,82,470</u>
<b>Total</b>		<u><u>40,30,99,718</u></u>	<u><u>40,22,34,757</u></u>
Summary of significant accounting policies	1		
Notes to the financial statements	18		

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our attached Report of even date

**For Mahendra Kumbhat & Associates**

Chartered Accountants  
Firm Regn. No.105770W

**Amar Chand Bagrecha**  
Partner  
Membership No.56605

Place: Mumbai  
Dated: May 30, 2017

On behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahesh Menon**  
Director

**Mahendra S. Shah**  
Director

**Jacqueline Patel**  
Director

**P. B. Deshpande**  
Company Secretary



## CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

(₹)

Particulars	Note	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
I. Revenue from operations	13	2,500	6,000
II. Other income	14	1,55,86,998	2,27,23,417
III. <b>Total revenue</b>		<u>1,55,89,498</u>	<u>2,27,29,417</u>
IV. Expenses:			
Employee benefits expense	15	44,53,354	47,18,685
Depreciation and amortization expense	8	21,15,036	24,83,551
Other expenses	16	84,93,033	75,40,121
V. <b>Total expenses</b>		<u>1,50,61,423</u>	<u>1,47,42,357</u>
VI. Profit/(Loss) before exceptional and extraordinary items and tax		5,28,075	79,87,060
VII. Exceptional item		-	-
VIII. Profit/(Loss) before extraordinary items and tax		5,28,075	79,87,060
IX. Extraordinary Items - Prior Period Income		-	-
Extraordinary Items - Prior Period Expenses	16	-	-
X Profit/(Loss) before tax		5,28,075	79,87,060
XI Tax expense:			
(1) Current tax - Wealth Tax		-	350
(2) Deferred tax		-	-
XII <b>Profit/(Loss) for the period from continuing operations</b>		<u>5,28,075</u>	<u>79,86,710</u>
XIII Profit/(Loss) from discontinuing operations		-	-
XIV Tax expense of discontinuing operations		-	-
XV <b>Profit/(Loss) from discontinuing operations (after tax)</b>		<u>-</u>	<u>-</u>
XVI <b>Profit/(Loss) for the period</b>		<u>5,28,075</u>	<u>79,86,710</u>
XVII Earnings per equity share:	17		
(1) Basic		0.01	0.14
(2) Diluted		0.01	0.14
Summary of significant accounting policies	1		
Notes to the financial statements	18		

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our attached Report of even date

### For Mahendra Kumbhat & Associates

Chartered Accountants  
Firm Regn. No.105770W

**Amar Chand Bagrecha**  
Partner  
Membership No.56605

Place: Mumbai  
Dated: May 30, 2017

On behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahesh Menon**  
Director

**Mahendra S. Shah**  
Director

**Jacqueline Patel**  
Director

**P. B. Deshpande**  
Company Secretary

# APPLE FINANCE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

(₹)

Particulars	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>A. Cash flow from operating activities:</b>		
Net profit before extraordinary items	5,28,075	79,86,710
Adjustments for:		
Depreciation	21,15,036	24,83,551
Profit/(Loss) on Sale of Assets and Investments	-	(50,901)
Investment Income - Dividend/Interest	(1,55,03,648)	(2,24,46,962)
	(1,33,88,612)	(2,00,14,312)
<b>Operating profit before working capital changes</b>	(1,28,60,537)	(1,20,27,602)
Adjustments for:		
Trade payables and other short-term liabilities	3,36,886	5,28,470
Loans and Advances (net)	3,26,476	31,627
	6,63,362	5,60,097
Cash generated from operations	(1,21,97,175)	(1,14,67,505)
Interest paid	-	-
Direct taxes paid (-)/Refund of Income Tax (+)	(2,60,126)	(9,33,450)
	(2,60,126)	(9,33,450)
Cash flow before extraordinary items	(1,24,57,301)	(1,24,00,955)
Extraordinary items	-	-
Net cash from operating activities	<b>A</b> (1,24,57,301)	(1,24,00,955)
<b>B. Cash flow from investing activities:</b>		
Purchase and sale of fixed assets including advances given for work-in-progress	-	(7,74,099)
Investment redemption/sold	-	-
Interest received	1,54,19,478	1,71,43,185
Dividend received	84,170	53,03,777
Net cash used in investing activities	<b>B</b> 1,55,03,647	2,16,72,862
<b>C. Cash flow from financing activities:</b>		
Proceeds from long-term borrowings (net)	-	-
Net cash used in financing activities	<b>C</b> -	-
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	30,46,346	92,71,907
<b>Cash and cash equivalents as at the beginning of the year (opening balance)</b>	20,48,95,462	19,56,23,555
<b>Cash and cash equivalents as at the end of the year (closing balance)</b>	20,79,41,808	20,48,95,462

Notes:

- Cash and cash equivalents include cash and cheques in hand and balances with scheduled banks.
- Previous year's figures have been regrouped/rearranged wherever necessary.

As per our attached Report of even date

**For Mahendra Kumbhat & Associates**

Chartered Accountants  
Firm Regn. No.105770W

**Amar Chand Bagrecha**  
Partner  
Membership No.56605

Place: Mumbai  
Dated: May 30, 2017

On behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahesh Menon**  
Director

**Mahendra S. Shah**  
Director

**Jacqueline Patel**  
Director

**P. B. Deshpande**  
Company Secretary



## NOTE "1" SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

### 1. Accounting Convention and Concepts

The Company follows the Historical Cost Convention and the Mercantile System of Accounting where the income and expenditure are recognised on accrual basis.

### 2. Fixed Assets

Fixed assets are valued at cost less depreciation. Cost includes all expenses incurred for acquisition of assets.

### 3. Depreciation

The Company provides depreciation on straight-line method on the basis of useful life of the assets as specified in Schedule II to the Companies Act, 2013.

### 4. Investments

All investments are stated at cost of acquisition. The investments sold during the year are accounted on first-in-first-out basis and investments purchased and sold during the year are shown on net basis. Provision is made for diminution in the value of investments, wherever required.

### 5. Valuation of Stocks

Stock of shares and securities valued at cost or fair value, whichever is less.

### 6. Retirement Benefits

The provision for retirement benefits such as provident fund, gratuity and superannuation is made for employees from the date of their respective appointment:-

- (i) Company's contribution to the Provident Fund, Pension Fund, Superannuation Fund and other fund is charged to the Profit and Loss Account.
- (ii) The amount of Gratuity liability as ascertained on the basis of actuarial valuation by Life Insurance Corporation of India is paid/provided and charged to the Profit and Loss Account.
- (iii) Provision is made towards liability for leave encashment.

### 7. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## NOTE "2" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

SHARE CAPITAL	Par Value per share (₹)	Balance Outstanding as at 31 <sup>st</sup> March 2016		Issued/(Reductions) during the year		Balance Outstanding as at 31 <sup>st</sup> March 2017	
		No. of Shares	Value (₹)	No. of Shares	Value (₹)	No. of Shares	Value (₹)
<b>Equity Share Capital</b>							
Authorized	10	7,50,00,000	75,00,00,000	-	-	7,50,00,000	75,00,00,000
Issued, Subscribed and Paid-up	10	5,56,73,122	55,67,31,220	-	-	5,56,73,122	55,67,31,220
Less: Calls in arrears by others		-	29,743	-	-	-	29,743
	10	5,56,73,122	55,67,01,477	-	-	5,56,73,122	55,67,01,477
<b>Preference Share Capital</b>							
Authorized	100	75,00,000	75,00,00,000	-	-	75,00,000	75,00,00,000
Issued, Subscribed and Paid-up	100	-	-	-	-	-	-

	Par Value per share (₹)	No. of Shares	Value (₹)	Holding (%)	No. of Shares	Value (₹)	Holding (%)
		31/03/2016	31/03/2016	31/03/2016	31/03/2017	31/03/2017	31/03/2017
<b>Share held by Holding Company</b>							
Not Applicable							
<b>Holding more than 5%</b>							
Honcho Trading Private Limited	10	1,05,83,380	10,58,33,800	19.01	1,05,83,380	10,58,33,800	19.01
Chivas Trading Pvt. Ltd.	10	31,68,216	3,16,82,160	5.69	31,68,216	3,16,82,160	5.69
Apple Finance Employees Welfare Trust	10	33,16,680	3,31,66,800	5.96	33,16,680	3,31,66,800	5.96

Note: The Company has not allotted any shares during the last five years, preceding March 31, 2017

# APPLE FINANCE LIMITED

## NOTE "3" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

RESERVES AND SURPLUS	Balance as on 31 <sup>st</sup> March 2016	Additions/ Deductions/ Appropriations	Balance as on 31 <sup>st</sup> March 2017
Capital Redemption Reserve	2,00,00,000	-	2,00,00,000
Debenture Redemption Reserve	10,00,00,000	-	10,00,00,000
General Reserve	40,00,00,000	-	40,00,00,000
Surplus at the beginning of the year	(1,41,88,60,470)	-	-
Add: Profit after tax for the year	-	5,28,075	-
Surplus at the end of the year	-	-	(1,41,83,32,395)
Capital Reserve	69,33,420	-	69,33,420
Capital Reserve on Settlement of Loans	42,70,26,184	-	42,70,26,184
Reserve Fund under Section 45IC(1) of the Reserve Bank of India Act, 1934	7,70,00,000	-	7,70,00,000
<b>Total</b>	<b>(38,79,00,866)</b>	<b>5,28,075</b>	<b>(38,73,72,791)</b>

## NOTE "4" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

LONG-TERM PROVISIONS	Balance as at 31 <sup>st</sup> March 2016	Additions	Utilizations	Reversals	Balance as at 31 <sup>st</sup> March 2017
Provisions for Non-Performing Assets	22,27,66,190	-	-	-	22,27,66,190
<b>Total</b>	<b>22,27,66,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,27,66,190</b>

## NOTE "5" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

TRADE PAYABLES	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Others	2,29,384	8,63,542
<b>Total</b>	<b>2,29,384</b>	<b>8,63,542</b>

## NOTE "6" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

OTHER CURRENT LIABILITIES	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Other Payable	3,28,289	3,13,081
Duties and Taxes Payable	81,307	1,60,163
<b>Total</b>	<b>4,09,596</b>	<b>4,73,244</b>

## NOTE "7" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

SHORT-TERM PROVISIONS	Balance as at 31 <sup>st</sup> March 2016	Additions	Utilizations	Reversals	Balance as at 31 <sup>st</sup> March 2017
Provision for employee benefits	6,28,614	77,980	42,408	-	6,64,186
Provision for expenses	87,02,556	97,01,676	87,02,556	-	97,01,676
<b>Total</b>	<b>93,31,170</b>	<b>97,79,656</b>	<b>87,44,964</b>	<b>-</b>	<b>1,03,65,862</b>


**NOTE "8" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

FIXED ASSETS	Gross Block as at 1 <sup>st</sup> April 2016	Additions	Deletions	Gross Block as at 31 <sup>st</sup> March 2017	Depreciation up to 31 <sup>st</sup> March 2016	Depreciation for the year	Depreciation on deductions	Depreciation up to 31 <sup>st</sup> March 2017	Impairment losses/ reversals	Net Block as at 31 <sup>st</sup> March 2017
<b>Tangible Assets</b>										
Land										
- Freehold	9,55,066	-	-	9,55,066	-	-	-	-	-	9,55,066
Buildings										
- Owned	8,39,86,390	-	-	8,39,86,390	3,13,38,370	14,16,425	-	3,27,54,795	-	5,12,31,595
Plant and Equipment										
- Owned										
Office Equipment	40,47,326	-	-	40,47,326	40,41,805	5,520	-	40,47,326	-	-
Computers	1,82,18,498	-	-	1,82,18,498	1,81,47,714	58,817	-	1,82,06,531	-	11,967
Electrical Fittings	13,90,185	-	-	13,90,185	12,92,944	97,241	-	13,90,185	-	-
Furniture and Fixtures	1,65,80,813	-	-	1,65,80,813	1,60,52,347	3,86,496	-	1,64,38,842	-	1,41,971
Vehicles	16,36,924	-	-	16,36,924	13,10,760	1,50,537	-	14,61,297	-	1,75,627
<b>Total</b>	12,68,15,202	-	-	12,68,15,202	7,21,83,940	21,15,036	-	7,42,98,976	-	5,25,16,225
<b>Previous Year</b>	12,69,73,826	8,25,000	9,83,624	12,68,15,202	7,06,84,013	24,83,551	9,83,624	7,21,83,940	-	5,46,31,262

**NOTE "9" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

NON-CURRENT INVESTMENTS	No. of Securities	Face Value (₹)	As at 31 <sup>st</sup> March 2017 (₹)	As at 31 <sup>st</sup> March 2016 (₹)
<b>Trade Investments</b>				
(Fully paid unless otherwise stated)				
<b>Quoted Investments - Equity Shares (At cost)</b>				
Ambika Cotton Mills Limited	1,80,233	10	86,51,200	86,51,200
Anjani Solvents India Limited	74,853	10	7,48,530	7,48,530
Anod Plasma Spray Limited	75,000	10	7,50,000	7,50,000
Cipla Limited	36,510	2	6,52,302	6,52,302
Indian Lead Limited	3,32,066	10	1,23,31,200	1,23,31,200
Inland Printers Limited	33,300	10	19,98,000	19,98,000
Pittie Cements & Industries Limited	1,18,126	10	1,29,93,860	1,29,93,860
Sagar Tourist Resorts Limited	21,342	10	2,13,420	2,13,420
Vedanta Limited	5,800	1	51,023	51,023
Shri Renuga Textiles Limited	40,000	10	60,00,000	60,00,000
Vital Foods Limited	93,900	10	10,32,900	10,32,900
<b>Total (A)</b>			4,54,22,435	4,54,22,435
<b>Unquoted Investments - Equity Shares (At cost)</b>				
Aldrich Pharmaceuticals Limited	2,10,000	10	70,35,000	70,35,000
Armour Pharmaceuticals Limited	5,93,750	10	83,86,690	83,86,690
Deluxe Fabrics Limited	2,50,000	10	47,80,421	47,80,421
Indo Deutsche Metallo Chimique Ltd.	1,45,000	10	2,45,39,919	2,45,39,919

# APPLE FINANCE LIMITED

NON-CURRENT INVESTMENTS	No. of Securities	Face Value (₹)	As at 31 <sup>st</sup> March 2017 (₹)	As at 31 <sup>st</sup> March 2016 (₹)
Spectrum Alkyd & Resins Limited	1,33,333	10	15,00,000	15,00,000
Union Motor Services Limited	3,66,667	10	88,06,560	88,06,560
Vijaya Home Loans Limited	50,000	10	5,00,000	5,00,000
<b>Total (B)</b>			5,55,48,590	5,55,48,590
<b>Unquoted Investments - Debentures (At cost)</b>				
18% Unsecured Redeemable Non-Convertible Debentures of Century Wood Limited	40,000	100	58,50,000	58,50,000
<b>Total (C)</b>			58,50,000	58,50,000
<b>Total (A) + (B) + (C)</b>			10,68,21,025	10,68,21,025

NON-CURRENT INVESTMENTS	Cost (₹)	Market Value (₹)
Aggregate Value of Quoted Investment		
Equity Shares (Previous Year)	4,54,22,435 (4,54,22,435)	25,84,02,321*** (16,38,49,407)
Aggregate Value of Unquoted Investment		
Equity Shares (Previous Year)	5,55,48,590 (5,55,48,590)	
<b>Total (Previous Year)</b>	10,09,71,025 (10,09,71,025)	

\*\*\* Market value of quoted investments includes only market value of Cipla Limited, Ambika Cotton Mills Limited and Vedanta Limited since other quoted shares' market value is not available.

## NOTE "10" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

INVENTORIES (Valued at cost or market value whichever is less)	As on 31 <sup>st</sup> March 2017			As on 31 <sup>st</sup> March 2016		
	Inventory (₹)	Goods-in-Transit	Final Value (₹)	Inventory (₹)	Goods-in-Transit	Final Value (₹)
<b>Unquoted Equity Shares</b>						
1,41,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	2,46,75,000	-	2,46,75,000	2,46,75,000	-	2,46,75,000
<b>Total</b>	2,46,75,000	-	2,46,75,000	2,46,75,000	-	2,46,75,000

Note: Market value of Stock-in-Trade is not available and, therefore, it is valued at cost.

## NOTE "11" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

(₹)

CASH AND BANK BALANCES	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Cash and Cash Equivalents</b>		
Cash on hand	38,010	32,357
Balance with Banks	10,56,080	32,70,244
Bank Deposits (less than 3 months maturity)*	-	15,97,03,170
	10,94,090	16,30,05,771
<b>Others</b>		
Bank Deposits (more than 3 months but less than 12 months maturity)	3,59,07,777	2,18,39,691
Bank Deposits (more than 12 months maturity)**	17,09,39,940	2,00,50,000
	20,68,47,717	4,18,89,691
<b>Total</b>	20,79,41,808	20,48,95,462

\*\*Out of which ₹ 17,08,89,940 is under lien with Kotak Mahindra Bank Ltd.

\*(Previous year ₹ 15,97,03,170)



**NOTE "12" TO CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(₹)

OTHER CURRENT ASSETS	As on 31 <sup>st</sup> March 2017				As on 31 <sup>st</sup> March 2016			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Interest accrued on Fixed Deposits with Banks	-	23,01,271	-	23,01,271	-	26,31,597	-	26,31,597
Security Deposits	-	4,16,760	-	4,16,760	-	4,16,760	-	4,16,760
Prepaid Expenses	-	38,841	-	38,841	-	44,022	-	44,022
Other Receivables	-	21,84,034	-	21,84,034	-	21,75,000	-	21,75,000
Advance Income Tax and TDS	-	60,20,538	-	60,20,538	-	57,60,412	-	57,60,412
Sales Tax paid against appeal	-	1,84,217	-	1,84,217	-	1,84,217	-	1,84,217
<b>Total</b>	-	1,11,45,660	-	1,11,45,660	-	1,12,12,008	-	1,12,12,008

**NOTE "13" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017**

(₹)

REVENUE FROM OPERATIONS	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
Hire-Purchase Income	2,500	6,000
Receipt against debts written off	-	-
<b>Total</b>	2,500	6,000

**NOTE "14" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017**

(₹)

OTHER INCOME	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
Interest (TDS ₹ 15,42,456; Previous Year ₹ 17,14,347)	1,54,19,478	1,71,43,185
Interest on Income Tax Refund	83,350	61,873
Dividend Income:		
- Others	84,170	53,03,777
Profit on sale of Fixed Assets	-	50,901
Miscellaneous Income	-	1,63,681
<b>Total</b>	1,55,86,998	2,27,23,417

**NOTE "15" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017**

(₹)

EMPLOYEE BENEFITS EXPENSES	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
Salaries and wages	38,06,058	38,33,955
Contribution to Provident and other funds	6,01,812	6,20,537
Staff welfare expenses	45,484	2,64,193
<b>Total</b>	44,53,354	47,18,685



# APPLE FINANCE LIMITED

## NOTE "16" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017 (₹)

OTHER EXPENSES	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
Electricity Charges	2,69,900	3,26,708
Repairs to Machinery	38,938	41,384
Repairs to Building	59,490	-
Repairs and Maintenance - Others	29,421	34,887
Insurance	23,255	22,850
Rates and Taxes	2,78,904	2,89,304
Society Charges	8,15,846	8,73,709
Legal and Professional fees	10,08,355	11,17,560
ROC Filing Fees	9,180	13,464
Printing and Stationery	41,228	40,116
Telephone and Fax Expense	1,56,150	1,50,439
Courier Expenses	15,615	7,156
Security and Service Charges	4,67,969	6,44,451
Travelling Expenses (including Foreign Travel)	10,49,972	90,241
Conveyance	15,411	9,356
Motor Car Expenses	10,46,167	7,10,278
AGM Expenses	16,31,535	14,36,720
Registrar, Share and Debenture Expenses	8,53,435	10,62,211
Directors' Sitting Fees	18,000	18,000
Membership and Subscription	1,625	2,625
Bank Charges	774	115
Books and Periodicals	10,655	9,213
Miscellaneous Expenses	30,208	17,864
Payments to the Auditors:		
(a) as Auditors	4,19,750	4,21,345
(b) for Tax Audit	1,15,000	1,14,500
(c) for Limited Review Audit	86,250	85,625
<b>Total</b>	<b>84,93,033</b>	<b>75,40,121</b>

## NOTE "17" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017 (₹)

	EARNING PER SHARE	Year ending 31 <sup>st</sup> March 2017	Year ending 31 <sup>st</sup> March 2016
(a)	Net Profit after tax attributable to Equity Shareholders for Basic EPS	5,28,075	79,86,710
	Add/Less: Adjustment relating to potential equity shares	-	-
		5,28,075	79,86,710
(b)	Weighted average number of equity shares outstanding during the year		
	For Basic Earning Per Share	5,56,73,122	5,56,73,122
	For Diluted Earning Per Share	5,56,73,122	5,56,73,122
(c)	Basic Earning Per Share	0.01	0.14
	Diluted Earning Per Share	0.01	0.14
	Face Value Per Equity Share	10	10
(d)	Reconciliation between number of shares used for calculating basic and diluted earning per share		
	Particulars:		
	No. of shares used for calculating basic earning per share	5,56,73,122	5,56,73,122
	Add: Potential equity shares	-	-
	No. of shares used for calculating diluted earning per share	5,56,73,122	5,56,73,122



## NOTE "18" - NOTES TO CONSOLIDATED ACCOUNTS

### Notes forming part of the Accounts for the year ended 31<sup>st</sup> March 2017

	As at 31 <sup>st</sup> March 2017 (₹)	As at 31 <sup>st</sup> March 2016 (₹)
(1) As the business was unviable, the Company surrendered its Certificate of Registration of Non-Banking Financial Institution to Reserve Bank of India. Reserve Bank of India has cancelled the said Certificate of Registration vide their letter No. DNBS. MRO.No.4716 & 4869/02.01.60.Apple/2003-04 dated January 13, 2004 and January 18, 2004. In view of this, in terms of Section 45-IA of the RBI Act, 1934, now the Company is not entitled to carry on the business of Non-Banking Financial Institution. However, the Company can in future carry on the business of Non-Banking Financial Institution after taking necessary approval from Reserve Bank of India. The Company does have business income from Interest, etc. and also has Stock-in-Trade for business and hence, accounts have been prepared on the Going Concern Basis and Historical Cost Method.		
(2) Contingent Liabilities in respect of:  In the matter of assignment of the Company's rights, title and interest arising out of the Agreement to Lease dated April 3, 1995 made between the Company and MMRDA and the lease of the land and the building constructed thereon, pursuant to the Consent Terms entered into by the Company with Kotak Mahindra Bank Limited and another in Suit No.162 of 2002 before the Bombay High Court, ₹ 10 crore have been retained by Kotak Mahindra Bank Limited under a lien marked Fixed Deposit of the said Bank, for meeting any contingent liability that may arise in future. The Company's liability, however, shall in any event not exceed ₹ 10 crore in terms of Clause 4 of the Agreement between the Company as the Borrower and Apple Credit Corporation Limited, Just Software Private Limited and Seismograph Securities Private Limited (all Confirming Parties) and Kotak Mahindra Bank Limited as Lender and Kotak Mahindra Prime Limited as Confirming Party in the Indenture dated March 30, 2009.	10,00,00,000	10,00,00,000
(3) The Company has been advised that it does not have taxable income as per the income computation under the Income-tax Act, 1961 for the current financial year and accordingly, no provision for Income Tax has been made in the Profit and Loss Account of the Company.		
(4) (a) All investments are in the name of the Company, except those under transfer/delivery. (b) All the investments are held by the Company as long-term investments, except shown as Stock-in-Trade.		
(5) Remuneration to Directors: (a) Remuneration paid to the Managing Director:		
	<b>For the year ended 31<sup>st</sup> March 2017 (₹)</b>	<b>For the year ended 31<sup>st</sup> March 2016 (₹)</b>
Salaries and contribution to the Provident and other funds	25,67,800	25,55,525
Perquisites*	1,55,600	1,55,600
<b>Total</b>	<b>27,23,400</b>	<b>27,11,125</b>
* Value of perquisites is determined as per the Income-tax Rules, 1962.		
(b) Since no commission is paid/payable to any Director, the computation of profits under Section 198 of the Companies Act, 2013 has not been made.		
(6) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.		
(7) There are no separate reportable segments.		

# APPLE FINANCE LIMITED

- (8) Demat Account holding statement as on 31.3.2017 includes 500 equity shares of Swelect Energy Systems Limited, which were already sold by the Company. However, the same have not been transferred by the transferee in its own name. Consequently, dividends received on the said shares have been considered as current liability.
- (9) Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below :

Name of related party and nature of relationship	For the year ended 31 <sup>st</sup> March 2017 (₹)	For the year ended 31 <sup>st</sup> March 2016 (₹)
(i) Directors/Key Managerial Personnel: Remuneration Mr. Mahesh K. Rachh, Managing Director	27,23,400	27,11,125
(ii) Directors and their relatives - Professional Fees Mrs. Anita Menon: Director's spouse	1,20,000	1,20,000
iii) Directors Sitting fees Mr. Mahesh Menon, Director	6,000	6,000
Mr. Mahendra Shah, Director	6,000	6,000
Mrs. Jacqueline Patel, Director	6,000	6,000
iv) Loans and advances Apple Asset Management Limited - Subsidiary Company [Maximum amount outstanding during the year ₹ 49,02,500 (Previous Year - ₹ 48,48,500)]	49,37,500	49,02,500

- (10) Consequent to the issuance of the Accounting Standard 22 "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India, which is mandatory, the Company has had Deferred Tax Assets (net) of ₹ 9,24,66,286. In the opinion of the Board of Directors, it is unlikely that the Company would be able to take advantage of Deferred Tax Assets in the near future and accordingly, Deferred Tax Asset has not been considered.

Particulars	As at 31 <sup>st</sup> March 2017 (₹)	As at 31 <sup>st</sup> March 2016 (₹)
Deferred Tax Asset:		
(1) Provision for Non-Performing Assets and Diminution in the value of Investments	2,38,90,948	2,23,97,763
(2) Carry forward losses (including Unabsorbed Depreciation)	8,52,02,247	15,19,18,030
(3) Depreciation	(1,66,26,908)	(1,61,25,506)
Deferred Tax Asset (net)	9,24,66,286	15,81,90,287



(11) (a) Details of Stock of Shares and Securities:-

**Particulars**

	<b>As at 31<sup>st</sup> March 2017 (₹)</b>	<b>As at 31<sup>st</sup> March 2016 (₹)</b>
Unquoted		
141,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	2,46,75,000	2,46,75,000
	<b>2,46,75,000</b>	<b>2,46,75,000</b>
(b) Quantitative Details:-		
(i) Opening Stock		
Quantity (Nos.)	1,41,000	1,41,000
Value (₹)	2,46,75,000	2,46,75,000
(ii) Purchases/Received against Claims/Acquisition on Merger/Bonus		
Quantity (Nos.)	-	-
Value (₹)	-	-
(iii) Sales/Reduction on Merger		
Quantity (Nos.)	-	-
Value (₹)	-	-
(iv) Closing Stock		
Quantity (Nos.)	1,41,000	1,41,000
Value (₹)	2,46,75,000	2,46,75,000

(₹)

(12) Particulars	Specified Bank Notes (₹ 1,000 and ₹ 500)	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	21,000	2,570	23,570
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	80,773	80,773
(+) Amount withdrawn from Banks	-	1,00,000	1,00,000
(-) Amount deposited in Banks	21,000	-	21,000
Closing cash in hand as on December 30, 2016	-	21,797	21,797

(13) As per the Accounting Standard 13, Stock-in-Trade (Shares) is required to be recognised at cost or fair value whichever is less, however, the same has not been followed as fair value of the shares are not available because those companies' shares are not quoted in the stock market. Hence, provision for the same has been made.

(14) Cash Flow is prepared as per Indirect Method.

(15) The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year's financial statement and are to be read in relation to the amount and other disclosure relating to the current year.

Signatures to Note "1" to "18"

As per our attached Report of even date

**For Mahendra Kumbhat & Associates**

Chartered Accountants  
Firm Regn. No.105770W

**Amar Chand Bagrecha**  
Partner  
Membership No.56605

Place: Mumbai  
Dated: May 30, 2017

On behalf of the Board

**Mahesh K. Rachh**  
Managing Director

**Mahesh Menon**  
Director

**Mahendra S. Shah**  
Director

**Jacqueline Patel**  
Director

**P. B. Deshpande**  
Company Secretary

**Attendance slip**  
**APPLE FINANCE LIMITED**

CIN: L65910MH1985PLC037767  
 8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023  
 info@applefinance.co.in/www.applefinance.co.in Tel.: +91-22-2288 6100 Fax: 2288 6106  
**31<sup>st</sup> Annual General Meeting – September 26, 2017**

Registered Folio No./DP ID No./Client ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Company at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 on Tuesday, September 26, 2017 at 3.30 p.m.

Name of the Member/proxy  
 (in BLOCK letters)

Signature of the Member/proxy

Note: Please fill up this Attendance Slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.



**Proxy Form**

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

**APPLE FINANCE LIMITED**

CIN: L65910MH1985PLC037767  
 8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023  
 info@applefinance.co.in/www.applefinance.co.in Tel.:+91-22-2288 6100 Fax:2288 6106  
**31<sup>st</sup> Annual General Meeting – September 26, 2017**

Name of the Member(s)	
Registered address	
Email	
Folio No./Client ID	
DP ID	

I/We, being the Member(s) of ..... shares of the above name Company, hereby appoint

- Name:.....  
 Address:.....  
 Email: ..... Signature:..... or failing him/her
- Name:.....  
 Address:.....  
 Email: ..... Signature:..... or failing him/her
- Name:.....  
 Address:.....  
 Email: ..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Tuesday, September 26, 2017 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:-

<b>Resolution</b>	
<b>Ordinary Business</b>	
1.	Adoption of financial statements of the Company, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2017.
2.	Appoint a Director in place of Mr. Mahesh Raghavan Menon who retires by rotation and being eligible, seeks reappointment.
3.	Appoint M/s. Kucheria & Associates, Chartered Accountants as Auditors of the Company, in place of the retiring Auditors, M/s. Mahendra Kumbhat & Associates, Chartered Accountants.
<b>Special Business</b>	
4.	Keeping the Registers and Indices of Members and Debentureholders etc. at the office of the Company's Registrar & Transfer Agent.

Signed this ..... day of ..... 2017



Signature of the shareholder

Signature of the proxy holder(s)

Note:

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.





*If undelivered, please return to:*

Bigshare Services Private Limited  
Unit: Apple Finance Limited  
Bharat Tin Works Building, Floor 1  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri (East), Mumbai 400 059  
India