



**APPLE FINANCE LIMITED**

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**33<sup>RD</sup> ANNUAL REPORT 2018-2019**

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## **REGISTERED OFFICE**

8 Apeejay House  
130 Mumbai Samachar Marg  
Mumbai 400 023  
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Email: [info@applefinance.co.in](mailto:info@applefinance.co.in)  
[www.applefinance.co.in](http://www.applefinance.co.in)

## **BOARD OF DIRECTORS**

Mr. Jayanty Ramakrishna Sarma

Mr. Mahesh Raghavan Menon

Ms. Jacqueline K. Patel

## **AUDITORS**

Messrs Kucheria & Associates  
Chartered Accountants

## **33<sup>RD</sup> ANNUAL GENERAL MEETING**

On Wednesday, September 25, 2019  
at 3.30 p.m. at Royal Banquet  
(M. C. Ghia Hall), Bhogilal  
Hargovindas Building, Floor 4  
18/20 Kaikhushru Dubash Marg  
Mumbai 400 001

## **REGISTRAR & TRANSFER AGENT**

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 8221/8222/8223/8258  
Fax: +91-022-6263 8299  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

# APPLE FINANCE LIMITED

## NOTICE

NOTICE is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of Apple Finance Limited will be held on Wednesday, September 25, 2019 at 3.30 p.m. at Royal Banquet (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, 2019, 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, 2019 and the report of the Auditors thereon.
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.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("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 should, however, be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before the commencement of the Meeting.

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. The holder of proxy shall prove his identity at the time of attending the Meeting.

2. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
3. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
4. Details of Director retiring by rotation at the ensuing Meeting are provided in the Annexure to the Notice.
5. Members/Proxies/Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copies of Annual Report. In case of joint holder attending the Meeting, only such joint holder, who is higher in the order of names will be entitled to vote at the Meeting.

6. Relevant documents referred to in the Notice are 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.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 19, 2019 to Wednesday, September 25, 2019 (both days inclusive).
8. Securities & Exchange Board of India has mandated that securities of listed companies can be transferred only in dematerialized effective April 1, 2019. Accordingly, the Company/Bigshare Services Private Limited has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.
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.
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 33<sup>rd</sup> Annual Report for the financial year 2018-2019 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 Wednesday, September 18, 2019 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. Wednesday, September 18, 2019, 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 Sunday, September 22, 2019 at 10.00 a.m. and will end on Tuesday, September 24, 2019 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 Wednesday, September 18, 2019 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 Wednesday, September 18, 2019.
- (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 Sunday, September 22, 2019 (10.00 a.m.) and ends on Tuesday, September 24, 2019 (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 Wednesday, September 18, 2019 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.
- (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)	<ul style="list-style-type: none"> <li>• 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.</li> <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.

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- (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 48 hours 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 [www.evotingindia.com](http://www.evotingindia.com) and also be communicated to BSE Limited, where the shares of the Company are listed.

By the Order of the Board

**P. B. Deshpande**

*Company Secretary*

Mumbai, August 9, 2019

**Registered Office:**

8 Apeejay House  
130 Mumbai Samachar Marg  
Mumbai 400 023  
Tel.: 91+22-2288 6100 Fax: 2288 6106  
CIN: L52100MH1985PLC037767  
Email: [info@applefinance.co.in](mailto:info@applefinance.co.in)  
[www.applefinance.co.in](http://www.applefinance.co.in)



## Annexure to the Notice dated August 9, 2019

Details of Director retiring by rotation/seeking reappointment  
at the 33<sup>rd</sup> Annual General Meeting

Name	Mr. Mahesh Raghavan Menon
Age	55 years
Qualifications	B.Sc., LL.B.
Experience (including expertise in specific functional areas)/ Brief Resume	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. Mahesh Menon & Co., Advocates.
Terms and Conditions of Reappointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Mahesh Menon was reappointed as a Director at the 32 <sup>nd</sup> Annual General Meeting held on September 25, 2018, is liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	Sitting fees of ₹ 10,500 paid during the financial year 2018-2019.
Remuneration proposed to be paid	The Non-Executive Directors receive Sitting Fee of ₹ 1,500 for attending each Board Meeting.
Date of first appointment on the Board	19.03.2004
Shareholding in the Company as on March 31, 2019	100
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director/Key Managerial Personnel.
Number of meetings of the Board attended during the financial year (2018-2019)	7 (seven)
Directorship of other Boards as on March 31, 2019	Apple Asset Management Limited
Membership/Chairmanships of Committees of other Boards as on March 31, 2019	Member of Audit Committee of Apple Asset Management Limited

### ROAD MAP FOR THE AGM VENUE





# APPLE FINANCE LIMITED

## DIRECTORS' REPORT

Your Directors present the 33<sup>rd</sup> Annual Report together with audited financial statements of the Company for the financial year ended March 31, 2019.

### FINANCIAL HIGHLIGHTS

The financial results of your Company for the year ended March 31, 2019 as compared to the previous year are summarized below: -

	₹ Lac	
	Year ended 31.03.2019	Year ended 31.03.2018
Gross Income	201.34	178.14
Profit/(Loss) before Depreciation And Taxation	24.56	37.86
Less: Depreciation	14.57	15.95
Profit/(Loss) before Taxation	9.99	21.91
Provision for Taxation	Nil	Nil
Net Profit/(Loss) after Taxation	9.99	21.91

### AMOUNTS CARRIED TO RESERVES

The Net Profit of ₹ 9.99 lac has been transferred to the Profit & Loss Account and as such, no amount has been carried to Reserves.

### STATE OF AFFAIRS, MANAGEMENT DISCUSSION AND ANALYSIS

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.

In line with the change in the Objects, the Company has during the current financial year commenced new business in trading activity.

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

### SUBSIDIARY

As on March 31, 2019, 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 the Companies (Accounts) Rules, 2014 and marked as Annexure 'A' to this Report.

The audited financial statements of the subsidiary are 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://applefinance.co.in/pdf/policy/2016/Material%20Subsidiary%20Policy.pdf>

### CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

The details of Related Party Transaction are disclosed in Form No.AOC-2 and marked as Annexure 'B'.

There were no related party transactions, which could have potential conflict with interest of the Company at large.

Your Directors draw attention of the Members to Note No.21(9) to the standalone financial statements, 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://applefinance.co.in/pdf/policy/2016/Related%20Party%20Transaction%20Policy.pdf>

### ANNUAL RETURN

As required under Section 134(3)(a) of the Companies Act, 2013, the Annual Return is put up on the Company's website and can be accessed at [www.applefinance.co.in](http://www.applefinance.co.in).

### NUMBER OF MEETINGS OF THE BOARD

The Company holds at least 4 (four) Board Meetings in a financial year, 1 (one) in each quarter, *inter alia* to review the financial results of the Company. The Company also holds additional Board Meetings to address its specific requirements, as and when required.

During the financial year, the Board of Directors met 7 (seven) 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, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 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, 2019 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.



## **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**

M/s. Kucheria & Associates, Chartered Accountants were appointed as Auditors of the Company, for a term of 5 (five) consecutive years, at the 31<sup>st</sup> Annual General Meeting held on September 26, 2017. They have confirmed that they are not disqualified from continuing 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.21(1) and 21(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. J. R. K. Sarma, Ms. Jacqueline K. Patel, Independent Directors and Mr. Mahesh Raghavan Menon, Non-Executive Director. 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, 2019. The Secretarial Audit Report is annexed as Annexure 'C'.

With reference to the observations made in the Secretarial Audit Report dated May 30, 2019 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 Company has duly appointed a Chief Financial Officer to hold office from June 1, 2019.

## **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.

## **MATERIAL CHANGES AND COMMITMENTS**

During the current financial year, the Company has

commenced new business in trading activity. 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 statements relate 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.

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

## **RISK MANAGEMENT POLICY**

The Company is aware of the risks associated with the newly commenced business. It regularly analyzes and takes corrective actions for managing/mitigating the same. Your Company has institutionalized the process of identifying, minimizing and mitigating risks, which is periodically reviewed.

As part of the Company's policy, all the surplus funds of the Company are parked in scheduled banks. The assets of the Company have been adequately insured.

## **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**

During the year under review, Mr. Mahesh K. Rachh retired by rotation and did not seek reappointment. Mr. Rachh was the Managing Director of the Company continuously from August 9, 2001 and retired as the Managing Director on August 9, 2018.

Mr. Mahendra S. Shah demitted office as an Independent Director of the Company effective October 19, 2018 on account of his personal commitments.

The Board places on record its appreciation towards valuable contributions made by Mr. Rachh and Mr. Shah during their tenure as Directors of the Company.

At the 33<sup>rd</sup> Annual General Meeting scheduled to be held on September 25, 2019, Mr. Mahesh Raghavan Menon is sought to be reappointed as a Director of the Company.

Mr. P. B. Deshpande, Company Secretary & Manager is the Key Managerial Personnel of the Company.

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



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

## BOARD EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board carried out the annual evaluation of its own performance. A structured questionnaire covering various aspects of functioning of the Board, Committees and Directors such as adequacy of composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance was distributed to each member of the Board and inputs were received.

## 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://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.

## DISCLOSURE ON SHARES HELD IN SUSPENSE ACCOUNT

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

## 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.

## 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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms integral part of this Report. The requisite Compliance Certificate has been obtained from Messrs Kucheria & Associates, Chartered Accountants regarding compliance of conditions of Corporate Governance as stipulated under Part 'E' of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to the Corporate Governance Report.

## SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## LISTING WITH STOCK EXCHANGE

Your Company's equity shares are listed on BSE Limited. The Annual Listing Fee for the financial year 2019-2020 has been duly paid to BSE Limited.

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and rules made thereunder, the Company has formed Internal Complaints Committee to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a policy for prevention of sexual harassment, which ensures free and fair enquiry process and clear timelines for resolution.

## 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, your Directors 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.

## GENERAL

Your Directors state that no disclosure on reporting is required in respect of the following matters as there were no transactions on these items during the year under review: -

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Directors nor the Manager of the Company receive any remuneration or commission from its subsidiary.
- No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

## 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

**J. R. K. Sarma**  
Director

**Mahesh Menon**  
Director

Place: Mumbai  
Date: May 30, 2019



## 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, 2018 to March 31, 2019
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	:	(₹10,61,74,131)
Total Assets	:	₹ 5,24,92,272
Total Liabilities	:	₹ 4,66,66,403
Investments	:	₹ 5,24,14,613
Turnover	:	Nil
Profit before Taxation	:	₹ 41,156
Provision for Taxation	:	Nil
Profit after Taxation	:	₹ 41,156
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

**J. R. K. Sarma**  
Director

**Mahesh Menon**  
Director

Place: Mumbai

Date: May 30, 2019

# APPLE FINANCE LIMITED

## ANNEXURE "B"

FORM No. AOC-2

[Pursuant to Clause (h) of sub-section 3 of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of contracts or arrangement or transactions at arm's length basis:

Sr. No.	Particulars	Details	
a.	Name(s) of the related party and nature of relationship	Mr. P. B. Deshpande	Mrs. Anita Menon
b.	Nature of contracts/arrangements/ transactions	Manager & Company Secretary	Advocate
c.	Duration of the contracts/ arrangements/ transactions	2 years from August 9, 2018	Ongoing
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Annual Remuneration ₹ 14,07,645	Professional fee ₹ 10,000 per month
e.	Date(s) of approval by the Board, if any	August 14, 2018	May 14, 2014
f.	Amount paid as advances, if any	Not Applicable	Not Applicable

For and on behalf of the Board

**J. R. K. Sarma**  
Director

**Mahesh Menon**  
Director

Place: Mumbai  
Date: May 30, 2019



## ANNEXURE "C"

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & 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, 2019, 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, 2019 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 & Exchange Board of India Act, 1992 ("the SEBI Act"):-
  - (a) The Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 as amended from time to time;
  - (b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (c) The Securities & Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

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

1. The Securities & Exchange Board of India (Listing Obligations & 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 have appointed a whole-time Chief Financial Officer to hold office from June 1, 2019.**

# APPLE FINANCE LIMITED

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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.

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.

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.

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**  
*Practicing Company Secretaries*

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

Date: May 30, 2019

Place: Mumbai

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## ANNEXURE "D" NOMINATION AND REMUNERATION POLICY

### PREAMBLE

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

### OBJECTIVE

The key objectives of the Nomination & 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 & 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.
- "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.

# APPLE FINANCE LIMITED

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- **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

**J. R. K. Sarma**  
Director

**Mahesh Menon**  
Director

Place: Mumbai

Date: May 30, 2019

## ANNEXURE "E"

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

1. The ratio of remuneration of each Director to the Median Remuneration of all the employees who were on the payroll of the Company and the percentage change in remuneration of the Directors during the financial year 2018-2019 are given below:-

Director/Key Managerial Personnel	Ratio to Median	Percentage increase in remuneration
Mr. Mahesh K. Rachh	1.80	Not Applicable
Mr. P. B. Deshpande	1	20.72

Other Directors of the Company received 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:- 20.72%
3. The number of permanent employees on the rolls of Company as on March 31, 2019:- 3.
4. The explanation on the relationship between average increase in remuneration and company performance:-  
The remuneration has been revised upward primarily 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 decreased from ₹ 14.75 crore as on March 31, 2018 to ₹ 8.91 crore as on March 31, 2019. Over the same period, the price earning ratio moved from 67.33 to 89.11.  
The price of the Company's equity share as on March 31, 2019 has fallen by 96.80% to ₹ 1.60 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 and its comparison with the percentile increase in the managerial remuneration and justification thereof:-  
In the case of the Manager & Company Secretary, the revision in remuneration is 20.72% as against 9% increase in remuneration to other employees. The comparatively higher increase in remuneration to the Manager & Company Secretary is on account of professional qualification, dual position under law, industry norm, risk profile, post-qualification experience and responsibility.

# APPLE FINANCE LIMITED

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8. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company: -  
The remuneration 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 & Remuneration Policy.
12. There are no employees within the purview of sub-rule (2) of Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board

**J. R. K. Sarma**  
*Director*

**Mahesh Menon**  
*Director*

Place: Mumbai  
Date: May 30, 2019



## 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, 2019, the Company had 3 (three) Directors and all of them are Non-Executive Directors. Out of them, 2 (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.

In accordance with Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, none of the Directors is a member of more than 10 companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or acts as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits.

Further, all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions.

The relevant details of the Board of Directors during the financial year 2018-2019 are given below:-

Name	Category	No of Board Meetings attended during the year ended March 31, 2019	Whether attended AGM held on September 25, 2018	Directorships in other Indian Public Limited companies (excluding Apple Finance Limited)	No. of Committee positions held in other Public Listed Companies incorporated in India as on March 31, 2019		Name of other Listed Companies where the person is Director and the category of Directorship as on March 31, 2019
					Chairman	Member	
Mr. Mahesh Menon	Non-Executive Director	7	Yes	1	Nil	Nil	Nil
Ms. Jacqueline K. Patel	Independent Director	7	Yes	Nil	Nil	Nil	Nil
Mr. J. R. K. Sarma	Independent Director	7	Yes	1	Nil	Nil	Nil
Mr. Mahesh K. Rachh	Managing Director	3	No	Nil	Nil	Nil	Nil
Mr. Mahendra S. Shah	Independent Director	5	No	1	Nil	Nil	Nil

Notes:-

- 1) On September 25, 2018, Mr. Mahesh K. Rachh retired as a Director and did not seek reappointment.
- 2) Mr. Mahendra S. Shah demitted office as an Independent Director of the Company effective October 19, 2018 on account of his personal commitments.

The Company does not have a designated Chairman.

The Board of Directors of the Company met 7 (seven) times during the financial year 2018-2019 i.e. on April 5, 2018, May 30, 2018, August 14, 2018, September 25, 2018, October 11, 2018, November 14, 2018 and February 13, 2019.

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, 2019 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>.



# APPLE FINANCE LIMITED

The Board of Directors have identified the following skills/ expertise/competencies in the context of the business in which the Company is operating, for the Company to function effectively:-

- Knowledge of law including Taxation and HR.
- Knowledge of Accounts and Finance (ability to read and understand financial statements).
- Knowledge of administration and management.

The aforesaid skills/expertise/competencies identified by the Company are also actually available with the Board.

### 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. As on March 31, 2019, the Audit Committee comprised of 3 (three) members, of these 2 (two) are Independent Directors and 1 (one) is the Non-Executive 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. J. R. K. Sarma is the Chairperson of the Committee. The Company Secretary acts as the Secretary to the Committee.

During the financial year 2018-2019, the Audit Committee met 4 (four) times to deliberate on various matters. The meetings were held on May 30, 2018, August 14, 2018, November 14, 2018 and February 13, 2019. The details of attendance are as follows:-

Name of the Member	Category of Directorship	Audit Committee meetings attended
Ms. Jacqueline K. Patel	Independent Director	4
Mr. J. R. K. Sarma	Independent Director	2
Mr. Mahesh Raghavan Menon	Director	2
Mr. Mahesh K. Rachh	Managing Director	2
Mr. Mahendra S. Shah	Independent Director	2

Notes:-

- 1) On September 25, 2018, Mr. Mahesh K. Rachh retired as a Director.
- 2) Mr. Mahendra S. Shah demitted office as an Independent Director of the Company effective October 19, 2018.
- 3) Mr. J. R. K. Sarma and Mr. Mahesh Raghavan Menon were appointed members of the Audit Committee on September 25, 2018.

### 4. NOMINATION & REMUNERATION COMMITTEE

The Nomination & 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.

As on March 31, 2019, the Nomination & Remuneration Committee comprised Mr. Mahesh Raghavan Menon, Mr. J. R. K. Sarma and Ms. Jacqueline K. Patel.

Mrs. Jacqueline K. Patel is the Chairperson of the Nomination & Remuneration Committee.

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 2018-2019, 3 (three) meetings of the Nomination & Remuneration Committee were held on April 5, 2018, August 14, 2018 and February 13, 2019. The details of attendance are as follows:-

Name of the Member	Category of Directorship	Nomination & Remuneration Committee meetings attended
Ms. Jacqueline K. Patel	Independent Director	3
Mr. J. R. K. Sarma	Independent Director	1
Mr. Mahesh Raghavan Menon	Director	3
Mr. Mahendra S. Shah	Independent Director	2

Notes:-

1. Mr. Mahendra S. Shah demitted office as an Independent Director of the Company effective October 19, 2018.
2. Mr. J. R. K. Sarma was appointed a member of the Nomination & Remuneration Committee on September 25, 2018.

### 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 2018-2019:-

Name of Director	Gross Salary and Perquisites (₹)	Contribution to Provident Fund and Superannuation Fund (₹)	Sitting Fees (₹)
Mr. Mahesh K. Rachh	23,91,264	1,37,961	1,500
Mr. Mahesh Raghavan Menon	Nil	Nil	10,500
Mr. Mahendra S. Shah	Nil	Nil	7,500
Ms. Jacqueline K. Patel	Nil	Nil	10,500
Mr. J. R. K. Sarma	Nil	Nil	10,500

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

No other benefits such as stock options, pension etc. have been granted to Managing Director. Further, the salary and perquisites paid to the Managing Director are fixed components. There are no performance linked benefits granted to him.

## 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. As on March 31, 2019, the Stakeholders Relationship Committee comprised Mr. Mahesh Raghavan Menon, Mr. J. R. K. Sarma and Ms. Jacqueline K. Patel.

Mr. J. R. K. Sarma is the Chairperson of the Stakeholders Relationship Committee.

The Committee *inter alia* looks into redressing the grievances of the security holders of the Company.

During the financial year 2018-2019, 5 (five) meetings of the Stakeholders Relationship Committee were held on April 5, 2018, May 30, 2018, August 14, 2018, November 14, 2018 and February 13, 2019. The details of attendance are as follows:-

Name of the Member	Category of Directorship	Stakeholders Relationship Committee meetings attended
Ms. Jacqueline K. Patel	Independent Director	2
Mr. J. R. K. Sarma	Independent Director	2
Mr. Mahesh Raghavan Menon	Director	5
Mr. Mahesh K. Rachh	Managing Director	3
Mr. Mahendra S. Shah	Independent Director	3

Notes:-

- Mr. Mahendra S. Shah demitted office as an Independent Director of the Company effective October 19, 2018.
- Mr. J. R. K. Sarma and Mrs. Jacqueline K. Patel were appointed members of the Stakeholders Relationship Committee on September 25, 2018.

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 2018-2019:-

Nature of Complaint	Received	Cleared	Pending
Transfer of securities	2	2	Nil
Non-receipt of Annual Report	2	2	Nil
Non-receipt of credit/rejection of transfer/dematerialized shares	19	19	Nil
Non-receipt of Dividend Warrant	1	1	Nil
Name Change/Correction	6	6	Nil
Misc./Demerger	1	1	Nil
<b>Total</b>	<b>31</b>	<b>31</b>	<b>Nil</b>

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

## 7. GENERAL BODY MEETINGS

AGM	Financial Year	Date and Time	Venue	Details of Special Resolution Passed
32 <sup>nd</sup>	2017-2018	September 25, 2018 3.30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001.	<ul style="list-style-type: none"> <li>No Special Resolution passed</li> </ul>
31 <sup>st</sup>	2016-2017	September 26, 2017 3.30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001.	<ul style="list-style-type: none"> <li>Keeping the Registers and Indices of Members and Debentureholders etc. at the office of the Company's Registrar &amp; Transfer Agent.</li> </ul>
30 <sup>th</sup>	2015-2016	September 23, 2016 3.30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001.	<ul style="list-style-type: none"> <li>Keeping the Registers and Indices of Members and Debentureholders etc. at the office of the Company's Registrar &amp; Transfer Agent.</li> </ul>

## 8. POSTAL BALLOT

During the year under review, the Company completed process of 1 (one) Postal Ballot as per provisions of Section 110 of the Companies Act, 2013. Mr. Pramod S. Shah, Practicing Company Secretary was appointed as Scrutinizer for conducting Postal Ballot in a fair and transparent manner. The voting was conducted through physical mode as well as electronic mode. The Company had engaged the services of Central Depository Services

# APPLE FINANCE LIMITED

(India) Limited to provide e-Voting facility to the Members. The notice of Postal Ballot was accompanied with detailed instructions kit to enable the Members to understand the procedure and manner in which, Postal Ballot voting (including remote e-Voting) to be carried out. The following Resolutions are deemed to have been passed on the last date of e-Voting and receipt of Postal Ballot forms i.e. on Tuesday, January 1, 2019. The aforesaid voting results and the Scrutinizer's Report have been displayed at the Registered Office of the Company and on the website of the Company viz. [www.applefinance.co.in](http://www.applefinance.co.in) and CDSL viz., [www.evotingindia.com](http://www.evotingindia.com). All the 3 (three) Resolutions were approved with requisite majority. The details of results of Postal Ballot are as under: -

Particulars	No. of votes Received	No. and % of votes in favour	No. and % of votes against	No. and % of votes invalid
Special Resolution: Alteration of the Object clause of the Memorandum of Association of the Company	17185406	14408561 (83.84)	2776345 (16.15)	500 (0.01)
Special Resolution: Alteration of the Liability Clause of the Memorandum of Association of the Company	17185406	14408561 (83.84)	2776345 (16.15)	500 (0.01)
Special Resolution: Adoption of new set of Memorandum of Association of the Company as per the provisions of the Companies Act, 2013.	17185406	14408561 (83.84)	2776345 (16.15)	500 (0.01)

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

## 9. 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.

## 10. GENERAL SHAREHOLDER INFORMATION

- Date, time and venue of the 33<sup>rd</sup> AGM : September 25, 2019 at 3.30 p.m. at Royal Banquet (M. C. Ghia Hall), Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001
- Financial Year : April 1, 2019 to March 31, 2020.

- Adoption of Quarterly Results : on or before for the quarter ending -
  - June 30, 2019 : August 14, 2019
  - September 30, 2019 : November 14, 2019
  - December 31, 2019 : February 14, 2020
  - March 31, 2020 : May 30, 2020
- Date of Book Closure : September 19, 2019 to September 25, 2019 (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 fee to BSE Limited for the financial year 2019-2020.
- 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 2018-2019 are given below: -

Year 2018-2019	High (₹)	Low (₹)	No. of Shares
April	2.90	2.28	106797
May	2.46	1.71	85888
June	1.96	1.42	110495
July	2.49	1.65	155786
August	3.27	2.42	235124
September	2.70	2.18	92530
October	2.15	1.71	180338
November	1.90	1.48	55164
December	2.04	1.58	63135
January	2.98	1.65	120052
February	2.55	1.41	58386
March	2.18	1.56	50900

- 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. J. R. K. Sarma 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.

In compliance with Regulation 40(9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, every 6(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, 2019:-

Shareholding	No. of Folios	% of Total	No. of Shares	% of Total
1-500	113674	94.60	16241296	29.17
501-1000	3868	3.22	3047322	5.47
1001- 2000	1344	1.12	2089704	3.75
2001- 3000	401	0.33	1040452	1.87
3001- 4000	179	0.15	649075	1.17
4001- 5000	217	0.18	1050427	1.89
5001- 10000	251	0.21	1924054	3.46
10001 and Above	229	0.19	29630792	53.22
Total		100.00	55673122	100.00

- 73.43% of the Company's equity share capital has been dematerialized up to March 31, 2019.
- 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 2018-2019 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, 2019:-

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	885327	1.59
Bodies Corporate	2796396	5.02
Others	38199883	68.62
TOTAL	55673122	100.00

- Address for correspondence:-

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

## 11. OTHER DISCLOSURES

- All the contracts/arrangements/transactions entered by the Company during the financial year 2018-2019 with related parties were in its ordinary course of business and on an arm's length basis.

There were no related party transactions, which could have potential conflict with interest of the Company at large.

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 Form No.AOC-2 being Annexure 'B' to the Directors' Report and to Note No.21(9) to the standalone financial statements, which set out related party disclosures.

- 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.
- 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 Chairperson of the Audit Committee. During the financial year under review, no employee was denied access to the Audit Committee.

## 12. 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.

## 13. FEES PAID TO THE STATUTORY AUDITORS

Total fees for all services paid by the Company and its subsidiary, on consolidated basis to statutory auditors of the Company during the financial year ended March 31, 2019 is as follows:-

Amount paid to M/s. Kucheria & Associates: ₹ 6,49,000

Amount paid to M/s. S. Jain Bohra & Co.: ₹ 20,000.

## 14. COMPLIANCE WITH THE REQUIREMENTS OF CORPORATE GOVERNANCE REPORT

The Company is in compliance with all requirements as

# APPLE FINANCE LIMITED

stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## 15. COMPLIANCE WITH THE PROVISIONS OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the financial year, no such complaints were received.

## 16. DISCLOSURE OF ACCOUNTING TREATMENT DIFFERENT FROM INDIAN ACCOUNTING STANDARDS

The Company has not adopted any accounting treatment different from that prescribed in Indian Accounting Standards (Ind AS).

## 17. 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](http://www.applefinance.co.in). A certificate from the Manager, 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.

## 18. MANAGER'S CERTIFICATION

The Manager 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 Manager 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

**J. R. K. Sarma**      **Mahesh Menon**  
*Director*                      *Director*

Place: Mumbai  
Date: May 30, 2019

## DECLARATION BY THE MANAGER 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 the 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, 2019.

**P. B. Deshpande**  
*Manager*

Place: Mumbai  
Date: May 30, 2019

## CERTIFICATE OF THE MANAGER

To,  
The Board of Directors  
Apple Finance Limited

1. I have reviewed financial statements and the cash flow statement of Apple Finance Limited for the financial year ended March 31, 2019 and to the best of my knowledge and belief:-
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal controls.
4. I have indicated to the Auditors and the Audit Committee that:-
  - i. there are no significant changes in internal control over financial reporting during the financial year;
  - ii. there are no significant changes in accounting policies during the financial year; and
  - iii. there are no instances of significant fraud of which I have become aware of.

**P. B. Deshpande**  
*Manager*

Place: Mumbai  
Date: May 30, 2019





## 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, 2019, 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.

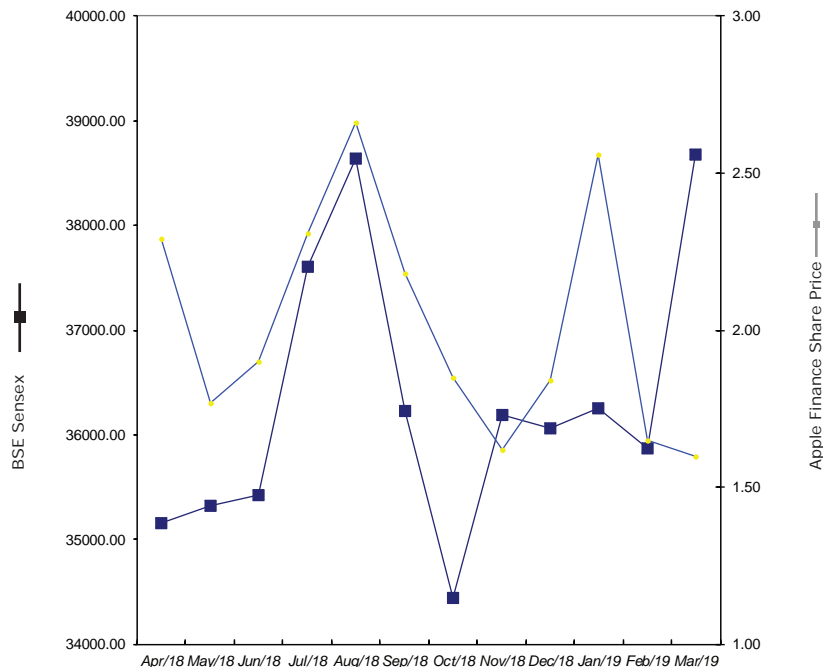
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Kucheria & Associates**  
Chartered Accountants  
Firm Regn. No. 105391W

**Neetu Godhwani**  
Partner  
Membership No. 141952

Place: Mumbai  
Date: May 30, 2019

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



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## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations & Disclosure Requirements) Regulations, 2015)]

To,  
The Members of  
APPLE FINANCE LIMITED  
8 Apeejay House  
130 Mumbai Samachar Marg  
Mumbai 400 023

We have examined the status of the directorship of all the Directors of Apple Finance Limited having CIN: L52100MH1985PLC037767 and having Registered Office at 8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023 (hereinafter referred to as "the Company"), as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In our opinion and the information received from the Company, according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Jayanty Ramakrishna Sarma	00088327	05/04/2018
2	Mahesh Raghavan Menon	00164298	19/03/2004
3	Jacqueline Kayomarz Patel	06955747	25/09/2014

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Pramod S. Shah & Associates**  
*Practising Company Secretaries*

**Pramod S. Shah**  
*Partner*  
Membership No.FCS 334  
COP No.3804

Place: Mumbai  
Date: May 30, 2019



## INDEPENDENT AUDITOR'S REPORT

To the Members of **Apple Finance Limited**  
**Report on the Audit of the Standalone Financial Statements:**

### Opinion

We have audited the accompanying standalone financial statements of Apple Finance Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date, subject to:-

- a) **Point No. 1 of Note 21 regarding going concern assumption of the Company.**
- b) **Point No.10 of Note 21 regarding non-consideration of Deferred Tax Assets (Net) amounting to ₹ 5,16,15,629.**

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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.

### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our Auditor's Report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial

statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the India Accounting Standards ("Ind AS") specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the standalone financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)

# APPLE FINANCE LIMITED

(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## 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 in terms of sub-section (11) of Section 143 of the Act, we give in **Annexure "A"**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 relating to preparation of the financial statements 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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, 2019, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, 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 Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 litigation 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 were no amount required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the provisions of the Act and the rules made thereunder.

**For Kucheria & Associates**  
*Chartered Accountants*  
*Firm Regn. No.105391W*

**Neetu Godhwani**  
*Partner*  
*Membership No.141952*

Mumbai, May 30, 2019

## Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2019)

**Report on the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of the Company.**

- i. (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 No.3 to the standalone financial statements are held in the name of the Company.
- ii. 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.
- iii. The Company has not granted any loans whether secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3(iii) of the Order is not applicable.
- iv. The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under Section 185 and Section 186 of the Act. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub-section (1) of Section 186 of the Act. Accordingly, Clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits from the public during the year, within the meaning of Sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder and therefore, provisions of Clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a. According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues as applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues as applicable were in arrears as at March 31,

2019 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no dues of sales tax, income tax, duty of customs, duty of excise, goods and service tax or value added tax and other material statutory dues which have not been deposited as at March 31, 2019 with appropriate authorities on account of any dispute.
- viii. To the best of our knowledge and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a *nidhi* company. Accordingly, Clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under Clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its Directors or persons connected to its Directors. Accordingly, Clause 3(xv) of the Order is not applicable.
- xvi. According to the information and explanation given to us and based on examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Kucheria & Associates**

*Chartered Accountants  
Firm Regn. No.105391W*

**Neetu Godhwani**

*Partner  
Membership No.141952*

Mumbai, May 30, 2019



# APPLE FINANCE LIMITED

## Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2019)

### Report on the Internal Financial Controls over Financial Reporting 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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 ("the Guidance Note"). 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.

### Auditor's 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 and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, to the best of our information and according to the explanations given to us, 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, 2019, 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.

**For Kucheria & Associates**  
*Chartered Accountants*  
*Firm Regn. No.105391W*

**Neetu Godhwani**  
*Partner*  
*Membership No.141952*

Mumbai, May 30, 2019



## STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	49,463,331	50,921,071
Financial Assets			
Investments	4	10,048,392	10,048,392
Loans		-	-
Other Financial Assets		-	-
Other Non-Current Assets		-	-
<b>Total Non-Current Assets</b>		<u>59,511,723</u>	<u>60,969,463</u>
<b>Current Assets</b>			
Inventories	5	-	-
Financial Assets			
Investments		-	-
Trade Receivables		-	-
Cash and Cash Equivalents	6	4,576,092	809,771
Bank Balance Other than Cash and Cash Equivalents	7	210,606,769	213,906,844
Loans		-	-
Other Financial Assets	8	4,882,500	4,882,500
Other Current Assets	9	8,844,939	8,399,246
<b>Total Current Assets</b>		<u>228,910,300</u>	<u>227,998,361</u>
<b>Total Assets</b>		<u>288,422,023</u>	<u>288,967,824</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	556,701,477	556,701,477
Other Equity	11	<u>(277,908,552)</u>	<u>(278,908,131)</u>
<b>Total Equity</b>		<u>278,792,925</u>	<u>277,793,346</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings		-	-
Other Financial Liabilities		-	-
Provisions	12	-	-
Deferred Tax Liabilities (Net)		-	-
Other Non-Current Liabilities		-	-
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>-</u>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings		-	-
Trade Payables	13	926,737	825,226
Other Financial Liabilities		-	-
Other Current Liabilities	14	495,759	507,305
Provisions	15	8,206,602	9,841,947
<b>Total Current Liabilities</b>		<u>9,629,098</u>	<u>11,174,478</u>
<b>Total Liabilities</b>		<u>9,629,098</u>	<u>11,174,478</u>
<b>Total Equity and Liabilities</b>		<u>288,422,023</u>	<u>288,967,824</u>
Significant Accounting Policies and Notes to the Financial Statements	1 to 21	-	-

As per our Report of even date attached

**For Kucheria & Associates**

Chartered Accountants  
Firm Regn. No. 105391W

For and on behalf of the Board

**Neetu Godhwani**

Partner

Membership No. 141952

Mumbai, May 30, 2019

**J. R. K. Sarma**

Director

**Mahesh Menon**

Director

**P. B. Deshpande**

Company Secretary

# APPLE FINANCE LIMITED

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>INCOME</b>			
Revenue from Operations	16	1,500	-
Other Income	17	20,132,910	17,814,528
<b>Total Income</b>		<u>20,134,410</u>	<u>17,814,528</u>
<b>EXPENSES</b>			
Employee Benefits Expenses	18	4,434,514	4,754,031
Depreciation and Amortization Expenses	3	1,457,739	1,595,154
Other Expenses	19	13,242,578	9,274,006
<b>Total Expenses</b>		<u>19,134,831</u>	<u>15,623,191</u>
<b>Profit/(Loss) Before Tax</b>		999,579	2,191,337
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit/(Loss) for the year</b>		<u>999,579</u>	<u>2,191,337</u>
<b>Other Comprehensive Income/(Loss)</b>			
i Items that will not be reclassified to Profit or Loss		-	-
ii Income tax relating to items that will not be reclassified to Profit or Loss		-	-
iii Items that will be reclassified to Profit or Loss		-	-
iv Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive Income/(Loss) for the Year</b>		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income/(Loss) for the Year</b>		999,579	2,191,337
<b>Earning per Equity Share of face value of ₹ 10 each</b>			
Basic and Diluted (₹)	20	0.02	0.04

Significant Accounting Policies and Notes to the Financial Statements 1 to 21

As per our Report of even date attached

**For Kucheria & Associates**

Chartered Accountants

Firm Regn. No.105391W

For and on behalf of the Board

**Neetu Godhwani**

Partner

Membership No.141952

Mumbai, May 30, 2019

**J. R. K. Sarma**

Director

**Mahesh Menon**

Director

**P. B. Deshpande**

Company Secretary



## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) before Tax as per Statement of Profit and Loss</b>	999,579	2,191,337
<b>Adjustments for</b>		
Depreciation and Amortization Expense	1,457,739	1,595,154
Investment Income - Dividend & Interest Income	<u>(20,024,946)</u>	<u>(17,176,419)</u>
	<u>(18,567,207)</u>	<u>(15,581,265)</u>
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<u>(17,567,628)</u>	<u>(13,389,928)</u>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Inventories	-	24,675,000
(Increase)/Decrease in Other Financial Assets	-	55,000
(Increase)/Decrease in Other Current Assets	(441,003)	(201,674)
Increase/(Decrease) in Non-Current Provisions	-	(69,033,020)
Increase/(Decrease) in Trade Payables	101,511	626,575
Increase/(Decrease) in Other Current Liabilities	(11,546)	97,709
Increase/(Decrease) in Current Provisions	<u>(1,635,345)</u>	<u>(523,915)</u>
<b>Cash Generated from Operating Activities</b>	<u>(1,986,383)</u>	<u>(44,304,325)</u>
Income Tax Paid	<u>(4,689)</u>	<u>2,948,089</u>
	<u>(1,991,072)</u>	<u>(41,356,236)</u>
<b>Net Cash (used)/generated from Operating Activities</b>	(A) <u>(19,558,700)</u>	<u>(54,746,164)</u>
<b>Cash Flow From Investing Activities</b>		
(Increase)/Decrease in Non-Current Financial Investments	-	44,358,020
Dividend & Interest Income	<u>20,024,946</u>	<u>17,176,419</u>
<b>Net Cash (used)/generated from Investing Activities</b>	(B) <u>20,024,946</u>	<u>61,534,439</u>
<b>Cash Flow from Financing Activities</b>		
Proceeds from borrowings	-	-
<b>Net Cash (used)/generated from Financing Activities</b>	(C) <u>-</u>	<u>-</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(A+B+C) <u>466,246</u>	<u>6,788,275</u>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	214,716,615	207,928,340
<b>Cash &amp; Cash Equivalent at the end of the year</b>	215,182,861	214,716,615

**Note:** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

As per our Report of even date attached

**For Kucheria & Associates**

Chartered Accountants  
Firm Regn. No.105391W

For and on behalf of the Board

**Neetu Godhwani**

Partner

Membership No.141952

Mumbai, May 30, 2019

**J. R. K. Sarma**

Director

**Mahesh Menon**

Director

**P. B. Deshpande**

Company Secretary

# APPLE FINANCE LIMITED

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

### A. Equity Share Capital

Particulars	(₹)	
	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Balance at the beginning of the year	556,701,477	556,701,477
Change in Equity Share Capital during the year	-	-
<b>Balance at the end of the year</b>	<b>556,701,477</b>	<b>556,701,477</b>

### B. Other Equity

Particulars	(₹)			
	Balance at the beginning of the year i. e. 1 <sup>st</sup> April, 2017	Total Comprehensive Income for the year	Transfer to / (from) Retained Earnings	Balance at the end of the year i. e. 31 <sup>st</sup> March, 2018
<b>As at 31<sup>st</sup> March, 2018</b>				
<b>Reserves and Surplus</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
Capital Reserve	6,933,420	-	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,185	-	-	427,026,185
Reserve Fund u/s. 45IC(1) of the RBI Act, 1934	77,000,000	-	-	77,000,000
Retained Earnings	(1,312,059,073)	-	2,191,337	(1,309,867,736)
Other Comprehensive Income	-	-	-	-
<b>Total</b>	<b>(281,099,468)</b>	<b>-</b>	<b>2,191,337</b>	<b>(278,908,131)</b>

Particulars	(₹)			
	Balance at the beginning of the year i. e. 1 <sup>st</sup> April, 2018	Total Comprehensive Income for the year	Transfer to / (from) Retained Earnings	Balance at the end of the year i. e. 31 <sup>st</sup> March, 2019
<b>As at 31<sup>st</sup> March, 2019</b>				
<b>Reserves and Surplus</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
Capital Reserve	6,933,420	-	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,185	-	-	427,026,185
Reserve Fund u/s. 45IC(1) of the RBI Act, 1934	77,000,000	-	-	77,000,000
Retained Earnings	(1,309,867,736)	-	999,579	(1,308,868,157)
Other Comprehensive Income	-	-	-	-
<b>Total</b>	<b>(278,908,131)</b>	<b>-</b>	<b>999,579</b>	<b>(277,908,552)</b>

As per our Report of even date attached

**For Kucheria & Associates**

Chartered Accountants  
Firm Regn. No.105391W

**Neetu Godhwani**

Partner

Membership No.141952

Mumbai, May 30, 2019

**J. R. K. Sarma**

Director

For and on behalf of the Board

**Mahesh Menon**

Director

**P. B. Deshpande**

Company Secretary



## Notes to the Standalone Financial Statements for the year ended March 31, 2019

### 1. Corporate Information

Apple Finance Limited ("the Company") is a listed entity incorporated in India. The address of its Registered Office and principal place of business are disclosed in the introduction to the Annual Report.

### 2. Significant Accounting Policies

#### 2.1 Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

#### 2.2 Basis of Preparation

These financial statements have been prepared on historical cost basis and mercantile system of accounting where income and expenditure are recognized on accrual basis.

The statement of cash flows has been prepared under indirect method.

#### 2.3 Summary of Significant Accounting Policies

##### (a) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation (other than free-hold land) and impairment loss, if any.

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

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 recognized in the Profit & 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.

##### (b) Investment in Equities

All investments are stated at cost of acquisition. The investment 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 investment, wherever required.

##### (c) Provisions

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of a past event for which, reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows unless the effect of time value of money is immaterial.

##### (d) Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks, which are unrestricted for withdrawal and usage.

##### (e) Contingencies

A contingent liability is a possible obligation that arises from past event whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

##### (f) Employee Benefits Expense

The provision for employee benefits such as Provident Fund, Gratuity and Superannuation is made for employees from the date of their respective appointment.

The Company's contribution to the Provident Fund, Pension Fund, Superannuation Fund and other fund is charged to the Profit & Loss Account.

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 & Loss Account.

Provision is made towards liability for leave encashment.



# APPLE FINANCE LIMITED

## Note 3: Property, Plant and Equipment

(₹)

Description of Assets	Gross Block (At Cost)				Depreciation				Net Block	
	As at 1 <sup>st</sup> April, 2018	Additions	Deductions	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	For the year	Deductions	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Tangible Assets</b>										
Freehold Land	955,066	-	-	955,066	-	-	-	-	955,066	955,066
Buildings	83,986,390	-	-	83,986,390	34,171,220	1,416,425	-	35,587,645	48,398,745	49,815,170
Office Equipment	4,047,326	-	-	4,047,326	4,047,326	-	-	4,047,326	-	-
Computers	18,218,498	-	-	18,218,498	18,218,498	-	-	18,218,498	-	-
Electrical Fittings	1,390,185	-	-	1,390,185	1,390,185	-	-	1,390,185	-	-
Furniture and Fixtures	16,580,813	-	-	16,580,813	16,455,068	16,225	-	16,471,293	109,520	125,745
Vehicles	1,636,924	-	-	1,636,924	1,611,835	25,089	-	1,636,924	-	25,089
<b>Total (A)</b>	<b>126,815,202</b>	<b>-</b>	<b>-</b>	<b>126,815,202</b>	<b>75,894,131</b>	<b>1,457,739</b>	<b>-</b>	<b>77,351,871</b>	<b>49,463,331</b>	<b>50,921,071</b>
<b>Intangible Assets (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A + B)</b>	<b>126,815,202</b>	<b>-</b>	<b>-</b>	<b>126,815,202</b>	<b>75,894,131</b>	<b>1,457,739</b>	<b>-</b>	<b>77,351,871</b>	<b>49,463,331</b>	<b>50,921,071</b>
Previous Year	126,815,202	-	-	126,815,202	74,298,976	1,595,154	-	75,894,130	50,921,071	52,516,225
<b>Capital Work-in-Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets under Development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Note 4: Non-Current Investments

Particulars	No. of Securities	Face Value (₹)	As at 31 <sup>st</sup> March, 2019 (₹)	As at 31 <sup>st</sup> March, 2018 (₹)
<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
Cipla Limited	36,510	2	652,302	652,302
Anjani Solvents India Limited	74,853	10	744,890	744,890
Anod Plasma Spray Limited	75,000	10	-	-
Indian Lead Limited	332,066	10	-	-
Inland Printers Limited	33,300	10	-	-
Pittie Cements & Industries Limited	118,126	10	-	-
Sagar Tourist Resorts Limited	21,342	10	-	-
Shri Renuga Textiles Limited	40,000	10	-	-
Vital Foods Limited	93,900	10	-	-
<b>Total (A)</b>			<b>10,048,392</b>	<b>10,048,392</b>
<b>Unquoted Investments - Equity Shares (At Cost)</b>				
Aldrich Pharmaceuticals Limited	210,000	10	-	-
Spectrum Alkyd & Resins Limited	133,333	10	-	-
Vijaya Home Loans Limited	50,000	10	-	-
<b>Total (B)</b>			<b>-</b>	<b>-</b>
<b>Total (A + B)</b>			<b>10,048,392</b>	<b>10,048,392</b>
Aggregate market value of Quoted Investments - Equity Shares			220,347,620	250,973,868
Aggregate value of Unquoted Investments - At Cost			-	-
<b>Total</b>			<b>220,347,620</b>	<b>250,973,868</b>

Notes:

- Market value of quoted investments includes only market value of Cipla Limited and Ambika Cotton Mills Limited since market value of other quoted shares is not available.
- Market value of unquoted investments is not available and, therefore, it is valued at cost in previous year.

3. In previous year, investment write down are accounted, considering the nature of investment, ageing and net realisable value. A number of securities, categories under quoted, unquoted investments and inventories have not yielded any value whatsoever since acquisition. Further, these securities are not quoted on any Stock Exchange for a very long time. Therefore, the provisions for Non-Performing Assets of ₹ 6,90,33,020 available has been set off against ₹ 3,53,23,020 under quoted investment category, ₹ 90,35,000 under unquoted investment category and ₹ 2,46,75,000 under inventories.

**Note 5: Inventories**

(₹)		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(Valued at cost or market value whichever is lower)</b>		
1,41,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	-	-
Note: Inventory write down are accounted, considering the nature, ageing, liquidation plan and net realizable value, write downs of inventories amounted to ₹ Nil (Previous year ₹ 2,46,75,000). The changes in write down are adjusted against Provisions of Non-Performing Assets)		
<b>Total</b>	-	-

**Note 6: Cash and Cash Equivalents**

(₹)		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Cash on Hand	7,230	86,236
Balance with Banks in Current Accounts	4,568,862	723,535
<b>Total</b>	4,576,092	809,771

**Note 7: Bank Balance Other than Cash and Cash Equivalents**

(₹)		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Bank Deposits (more than 3 months but less than 12 months maturity)	210,606,769	11,590,577
Bank Deposits (more than 12 months maturity) *	-	202,316,267
* Out of which ₹ 19,45,06,527 is under lien with Kotak Mahindra Bank Limited (Previous year ₹ 18,23,16,267)		
<b>Total</b>	210,606,769	213,906,844

**Note 8: Other Current Financial Assets**

(₹)		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans and Advances to related parties - Unsecured, considered good</b>		
Subsidiary Company	4,882,500	4,882,500
<b>Other Loans and Advances - Unsecured, considered good</b>	-	-
<b>Total</b>	4,882,500	4,882,500

# APPLE FINANCE LIMITED

## Note 9: Other Current Assets

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest accrued on Fixed Deposits with Banks	2,554,896	2,531,037
Security Deposits	849,710	423,010
Prepaid Expenses	3,978	29,080
Other Receivables	2,175,000	2,159,453
Sales Tax paid against Appeal	184,217	184,217
Advance Income Tax and TDS	3,077,138	3,072,449
<b>Total</b>	<b>8,844,939</b>	<b>8,399,246</b>

## Note 10: Share Capital

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	(₹)	No. of Shares	(₹)
<b>Authorized</b>				
Equity Shares of ₹ 10 each	75,000,000	750,000,000	75,000,000	750,000,000
Preference Shares of ₹ 100 each	7,500,000	750,000,000	7,500,000	750,000,000
<b>Total</b>	<b>82,500,000</b>	<b>1,500,000,000</b>	<b>82,500,000</b>	<b>1,500,000,000</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each fully paid up	55,673,122	556,731,220	55,673,122	556,731,220
Less: Calls in arrears by others	-	29,743	-	29,743
<b>Total</b>	<b>55,673,122</b>	<b>556,701,477</b>	<b>55,673,122</b>	<b>556,701,477</b>
<b>Reconciliation of number of shares</b>				
<b>Equity Shares</b>				
Opening Balance after Calls in arrears	55,673,122	556,701,477	55,673,122	556,701,477
Add: Issued during the year	-	-	-	-
Less : Buy-back/Reduction during the year	-	-	-	-
<b>Closing Balance Total</b>	<b>55,673,122</b>	<b>556,701,477</b>	<b>55,673,122</b>	<b>556,701,477</b>

## Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholders	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares</b>				
Honcho Trading Private Limited	10,583,380	19.01	10,583,380	19.01
Chivas Trading Private Limited	3,168,216	5.69	3,168,216	5.69
Apple Finance Employees Welfare Trust	3,316,680	5.96	3,316,680	5.96

Note: The Company has not allotted any shares during the last five years, preceding March 31, 2019

## Note 11: Other Equity

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
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
Capital Reserve	6,933,420	6,933,420
Capital Reserve on Settlement of Loans	427,026,185	427,026,185
Reserve Fund u/s. 45IC(1) of the RBI Act, 1934	77,000,000	77,000,000
Retained Earnings	(1,308,868,157)	(1,309,867,736)
<b>Total</b>	<b>(277,908,552)</b>	<b>(278,908,131)</b>

**Note 12: Provisions (Non-Current Liabilities)**

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Non-Performing Assets	-	-
Balance of Provision for Non-performing Assets write-off against quoted, unquoted investments and inventories aggregating to ₹ Nil (Previous year ₹ 6,90,33,020)	-	-
<b>Total</b>	-	-

**Note 13: Trade Payables (Current Liabilities)**

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Others	926,737	825,226
<b>Total</b>	926,737	825,226

**Note 14: Other Current Liabilities**

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Other Payable	337,034	333,682
Duties and Taxes Payable	158,725	173,623
<b>Total</b>	495,759	507,305

**Note 15: Provisions (Current Liabilities)**

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Employee Benefits	368,265	720,000
Provision for Expenses	7,838,337	9,121,947
<b>Total</b>	8,206,602	9,841,947

**Note 16: Revenue from Operations**

(₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Hire-Purchase Income	1,500	-
<b>Total</b>	1,500	-

**Note 17: Other Income**

(₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Interest on Fixed Deposit with Bank (TDS ₹15,47,145; Previous year ₹15,29,993)	15,407,591	15,299,069
Interest on Income Tax Refund	107,964	638,109
Dividend Income	4,617,355	1,877,350
<b>Total</b>	20,132,910	17,814,528

# APPLE FINANCE LIMITED

## Note 18: Employee Benefits Expenses

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Salaries and Wages	3,996,327	4,065,198
Contribution to Provident and Other Funds	409,541	640,329
Staff Welfare Expenses	28,646	48,504
<b>Total</b>	<b>4,434,514</b>	<b>4,754,031</b>

## Note 19: Other Expenses

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Electricity Charges	184,231	180,965
Repairs to Building	264,941	-
Repairs and Maintenance - Others	54,707	36,440
Insurance	19,886	40,861
Rates and Taxes	238,735	268,596
Society Charges (includes ₹17,27,638 for prior period; Previous year ₹ Nil)	1,813,507	330,463
Legal and Professional fees	3,882,625	2,175,692
ROC Filing Fees	35,594	4,896
Printing and Stationery	57,767	56,581
Telephone and Fax Expense	110,745	172,092
Courier Expenses	67,730	8,442
Security and Service Charges	775,751	512,419
Travelling Expenses (including Foreign Travel)	647,896	1,224,246
Conveyance	22,870	15,967
Motor Car Expenses	606,511	1,017,079
AGM Expenses	1,863,782	1,793,562
Postal Ballot Expenses	1,105,612	-
Registrar, Share and Debenture Expenses	780,731	678,356
Directors' Sitting Fees	40,500	18,000
Bank Charges	94	278
Books and Periodicals	6,274	12,421
Miscellaneous Expenses	13,090	77,650
Payments to Auditors:		
(a) as Auditors	413,000	413,000
(b) for Tax Audit	118,000	118,000
(c) for Limited Review Audit	118,000	118,000
<b>Total</b>	<b>13,242,578</b>	<b>9,274,006</b>

## Note 20: Earning Per Equity Share

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Profit attributable to Equity holders of the Company (a)	999,579	2,191,337
Weighted average number of Equity Shares for basic and diluted (b)	55,673,122	55,673,122
Basic and Diluted Earning per Share (a/b)	0.02	0.04

**NOTE 21 : NOTES TO ACCOUNTS**

	(₹)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(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 has changed its Objects to carry on Trading and Consultancy activities. Also, the Company does have business income from Interest, etc. and has Stock-in-Trade for business and hence, the Accounts have been prepared on the Going Concern Basis and Historical Cost Method.		
(2) Contingent Liabilities in respect of:		
(a) 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
(b) In the arbitration proceedings initiated by M. S. Shoes East Limited, an <i>ex parte</i> Award has been passed against the Company for ₹ 5,72,16,043 plus 18% interest, aggregating to ₹ 14,81,48,795 which the Company has been contesting in the Civil Suit (Original Side) No. 2273 of 2012 before the High Court of Delhi.	148,148,795	-
(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>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2019 (₹)</b>	<b>For the year ended 31<sup>st</sup> March, 2018 (₹)</b>
Salaries and contribution to the Provident and other funds	2,512,725	2,673,027
Perquisites*	16,500	105,600
<b>Total</b>	<b>2,529,225</b>	<b>2,778,627</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.		



# APPLE FINANCE LIMITED

- (7) There are no separate reportable segments.
- (8) Demat Account holding statement as on March 31, 2019 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, 2019 (₹)	For the year ended 31 <sup>st</sup> March, 2018 (₹)
(i) Directors/Key Managerial Personnel: Remuneration		
a) Mr. Mahesh K. Rachh, Managing Director	2,529,225	2,778,627
b) Mr. P. B. Deshpande, Manager	1,407,645	1,165,995
(ii) Directors and their relatives - Professional Fees		
Mrs. Anita Menon: Director's spouse	120,000	120,000
iii) Directors' Sitting fees		
a) Mr. Mahesh Menon, Director	10,500	6,000
b) Mrs. Jacqueline Patel, Director	10,500	6,000
c) Mr. J. R. K. Sarma, Director	10,500	-
d) Mr. Mahendra Shah, Director	7,500	6,000
e) Mr. Mahesh K. Rachh, Director	1,500	-
iv) Loans and advances		
Apple Asset Management Limited - Subsidiary Company [Maximum amount outstanding during the year ₹ 48,82,500 (Previous year ₹ 49,62,500)]	4,882,500	4,882,500

- (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 ₹5,16,15,629. 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, 2019 (₹)	As at 31 <sup>st</sup> March, 2018 (₹)
Deferred Tax Asset:		
(1) Carry forward losses (including Unabsorbed Depreciation)	63,505,975	62,898,370
(2) Depreciation	(11,890,346)	(12,061,922)
Deferred Tax Asset (net)	51,615,629	50,836,448

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

Particulars	As at 31 <sup>st</sup> March, 2019 (₹)	As at 31 <sup>st</sup> March, 2018 (₹)
Unquoted 141,000 Equity Shares of ₹10 each of Indo Deutsche Metallo Chimique Limited	-	-
	-	-



(b) Quantitative Details: -

Particulars	As at	As at
	31 <sup>st</sup> March, 2019 (₹)	31 <sup>st</sup> March, 2018 (₹)
(i) Opening Stock		
Quantity (Nos.)	1,41,000	1,41,000
Value (₹)	-	2,46,75,000
Value (₹)	-	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 (₹)	-	-

(12) As per the Accounting Standard 13, Stock-in-Trade (Shares) is required to be recognized at cost or fair value whichever is less.

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

(14) 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 21

As per our Report of even date attached  
**For Kucheria & Associates**  
Chartered Accountants  
Firm Regn. No.105391W

For and on behalf of the Board

**Neetu Godhwani**  
Partner  
Membership No.141952  
Mumbai, May 30, 2019

**J. R. K. Sarma**  
Director

**Mahesh Menon**  
Director

**P. B. Deshpande**  
Company Secretary

# APPLE FINANCE LIMITED

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**Apple Finance Limited**

**Report on the Audit of the Consolidated Financial Statements:**

### Opinion

We have audited the accompanying consolidated financial statements of **Apple Finance Limited** ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Consolidated statement of Profit & Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date, subject to:-

- a). **Point No.1 of Note 20 regarding going concern assumption of the Company.**
- b). **Point No.10 of Note 20 regarding non-consideration of Deferred Tax Assets (Net) amounting to ₹ 5,16,15,629.**

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

### Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our Auditor's Report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the India Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which is company incorporated in India has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business

activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

We did not audit the financial statements of Apple Asset Management Limited (Subsidiary Company), whose financial statements reflect **total assets of ₹ 58,25,869 (excluding debit balance of ₹ 106,174,131 in the Profit & Loss Statement) as at March 31, 2019, total Revenue of ₹ Nil, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 41,156 and net cash flows amounting to ₹ 61,156** for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS 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 Ind AS 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.

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

1. As required by Section 143(3) of the Act, based on our audit 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 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.

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Ind AS 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, 2019, taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group Company incorporated in India is disqualified as on March 31, 2019, 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 and the operating effectiveness of such controls, refer to our separate report in **Annexure "A"** which is based on the Auditor's Reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group.
  - 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 were no amount required to be transferred to Investor Education and Protection Fund by the Company in accordance to the provisions of the Act, and rules made thereunder.

**For Kucheria & Associates**

*Chartered Accountants  
Firm Regn. No.105391W*

**Neetu Godhwani**

*Partner  
Membership No.141952*

Mumbai, May 30, 2019

## **Annexure "A" to the Independent Auditor's Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2019)

### **Report on the Internal Financial Controls over Financial Reporting 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 the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Apple Finance Limited** (hereinafter referred to as "the Company") and its subsidiary company, which is a company incorporated in India, as of that date.

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

The Board of Directors of the Company and its subsidiary company which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("the Guidance Note"). 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary company, which is company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 auditors' 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 internal financial controls system over financial reporting of the Company and its subsidiary company which is company incorporated in India.

**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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which is company incorporated in India, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kucheria & Associates**  
*Chartered Accountants*  
*Firm Regn. No.105391W*

**Neetu Godhwani**  
*Partner*  
*Membership No.141952*

Mumbai, May 30, 2019



# APPLE FINANCE LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	49,463,331	50,921,071
Financial Assets			
Investments	4	62,463,005	62,463,005
Loans		-	-
Other Financial Assets		-	-
Other Non-Current Assets		-	-
<b>Total Non-Current Assets</b>		<u>111,926,336</u>	<u>113,384,076</u>
<b>Current Assets</b>			
Inventories	5	-	-
Financial Assets			
Investments		-	-
Trade Receivables		-	-
Cash and Cash Equivalents	6	4,653,751	826,274
Bank Balance Other than Cash and Cash Equivalents	7	210,606,769	213,906,844
Loans		-	-
Other Financial Assets		-	-
Other Current Assets	8	8,844,939	8,399,246
<b>Total Current Assets</b>		<u>224,105,459</u>	<u>223,132,364</u>
<b>Total Assets</b>		<u><u>336,031,795</u></u>	<u><u>336,516,440</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	9	556,701,477	556,701,477
Other Equity	10	(384,082,683)	(385,123,418)
<b>Total Equity</b>		<u>172,618,794</u>	<u>171,578,059</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings		-	-
Other Financial Liabilities		-	-
Provisions	11	153,733,170	153,733,170
Deferred Tax Liabilities (Net)		-	-
Other Non-Current Liabilities		-	-
<b>Total Non-Current Liabilities</b>		<u>153,733,170</u>	<u>153,733,170</u>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings		-	-
Trade Payables	12	977,470	855,959
Other Financial Liabilities		-	-
Other Current Liabilities	13	495,759	507,305
Provisions	14	8,206,602	9,841,947
<b>Total Current Liabilities</b>		<u>9,679,831</u>	<u>11,205,211</u>
<b>Total Liabilities</b>		<u>163,413,001</u>	<u>164,938,381</u>
<b>Total Equity and Liabilities</b>		<u><u>336,031,795</u></u>	<u><u>336,516,440</u></u>
Significant Accounting Policies and Notes to the Financial Statements	1 to 20	-	-

As per our Report of even date attached

**For Kucheria & Associates**

Chartered Accountants  
Firm Regn. No. 105391W

For and on behalf of the Board

**Neetu Godhwani**

Partner

Membership No. 141952

Mumbai, May 30, 2019

**J. R. K. Sarma**

Director

**Mahesh Menon**

Director

**P. B. Deshpande**

Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>INCOME</b>			
Revenue from Operations	15	1,500	-
Other Income	16	20,255,870	17,917,188
<b>Total Income</b>		<b>20,257,370</b>	<b>17,917,188</b>
<b>EXPENSES</b>			
Employee Benefits Expenses	17	4,434,514	4,754,031
Depreciation and Amortization Expenses	3	1,457,739	1,595,154
Other Expenses	18	13,324,382	9,318,630
<b>Total Expenses</b>		<b>19,216,635</b>	<b>15,667,815</b>
<b>Profit/(Loss) Before Tax</b>		<b>1,040,735</b>	<b>2,249,373</b>
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit/(Loss) for the year</b>		<b>1,040,735</b>	<b>2,249,373</b>
<b>Other Comprehensive Income/(Loss)</b>			
i Items that will not be reclassified to Profit or Loss		-	-
ii Income tax relating to items that will not be reclassified to Profit or Loss		-	-
iii Items that will be reclassified to Profit or Loss		-	-
iv Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive Income/(Loss) for the Year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>1,040,735</b>	<b>2,249,373</b>
<b>Earning per Equity Share of face value of ₹ 10 each</b>			
Basic and Diluted (₹)	19	0.02	0.04
Significant Accounting Policies and Notes to the Financial Statements	1 to 20		

As per our Report of even date attached

**For Kucheria & Associates**

Chartered Accountants

Firm Regn. No.105391W

**Neetu Godhwani**

Partner

Membership No.141952

Mumbai, May 30, 2019

**J. R. K. Sarma**

Director

**Mahesh Menon**

Director

**P. B. Deshpande**

Company Secretary

For and on behalf of the Board

# APPLE FINANCE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
(₹)		
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) before Tax as per Statement of Profit and Loss</b>	1,040,735	2,249,373
<b>Adjustments for</b>		
Depreciation and Amortization Expense	1,457,739	1,595,154
Investment Income - Dividend & Interest Income	<u>(20,147,906)</u>	<u>(17,279,079)</u>
	<u>(18,690,167)</u>	<u>(15,683,925)</u>
<b>Operating Profit/(Loss) before Working Capital Changes</b>	(17,649,432)	(13,434,552)
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Inventories	-	24,675,000
(Increase)/Decrease in Other Current Assets	(441,003)	(201,674)
Increase/(Decrease) in Non-Current Provisions	-	(69,033,020)
Increase/(Decrease) in Trade Payables	121,511	626,575
Increase/(Decrease) in Other Current Liabilities	(11,546)	97,709
Increase/(Decrease) in Current Provisions	<u>(1,635,345)</u>	<u>(523,915)</u>
<b>Cash Generated from Operating Activities</b>	(1,966,383)	(44,359,325)
Income Tax Paid	(4,689)	2,948,089
	<u>(1,971,072)</u>	<u>(41,411,236)</u>
<b>Net Cash (used)/generated from Operating Activities</b>	(A) (19,620,504)	(54,845,788)
<b>Cash Flow From Investing Activities</b>		
(Increase)/Decrease in Non-Current Financial Investments	-	44,358,020
Dividend & Interest Income	<u>20,147,906</u>	<u>17,279,079</u>
<b>Net Cash (used)/generated from Investing Activities</b>	(B) 20,147,906	61,637,099
<b>Cash Flow from Financing Activities</b>		
Proceeds from borrowings	-	-
<b>Net Cash (used)/generated from Financing Activities</b>	(C) -	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(A+B+C) 527,402	6,791,311
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<u>214,733,118</u>	<u>207,941,807</u>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<u>215,260,520</u>	<u>214,733,118</u>

**Note:** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

As per our Report of even date attached

**For Kucheria & Associates**

Chartered Accountants

Firm Regn. No.105391W

For and on behalf of the Board

**Neetu Godhwani**

Partner

Membership No.141952

Mumbai, May 30, 2019

**J. R. K. Sarma**

Director

**Mahesh Menon**

Director

**P. B. Deshpande**

Company Secretary



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

### A. Equity Share Capital

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Balance at the beginning of the year	556,701,477	556,701,477
Change in Equity Share Capital during the year	-	-
<b>Balance at the end of the year</b>	<b>556,701,477</b>	<b>556,701,477</b>

### B. Other Equity

Particulars	Balance at the beginning of the year i. e. 1 <sup>st</sup> April, 2017	Total Comprehensive Income for the year	Transfer to / (from) Retained Earnings	Balance at the end of the year i. e. 31 <sup>st</sup> March, 2018
<b>As at 31<sup>st</sup> March, 2018</b>				
<b>Reserves and Surplus</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
Capital Reserve	6,933,420	-	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,185	-	-	427,026,185
Reserve Fund u/s. 45IC(1) of the RBI Act, 1934	77,000,000	-	-	77,000,000
Retained Earnings	(1,418,332,396)	-	2,249,373	(1,416,083,023)
Other Comprehensive Income	-	-	-	-
<b>Total</b>	<b>(387,372,791)</b>	<b>-</b>	<b>2,249,373</b>	<b>(385,123,418)</b>

Particulars	Balance at the beginning of the year i. e. 1 <sup>st</sup> April, 2018	Total Comprehensive Income for the year	Transfer to / (from) Retained Earnings	Balance at the end of the year i. e. 31 <sup>st</sup> March, 2019
<b>As at 31<sup>st</sup> March, 2019</b>				
<b>Reserves and Surplus</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
Capital Reserve	6,933,420	-	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,185	-	-	427,026,185
Reserve Fund u/s. 45IC(1) of the RBI Act, 1934	77,000,000	-	-	77,000,000
Retained Earnings	(1,416,083,023)	-	1,040,735	(1,415,042,288)
Other Comprehensive Income	-	-	-	-
<b>Total</b>	<b>(385,123,418)</b>	<b>-</b>	<b>1,040,735</b>	<b>(384,082,683)</b>

As per our Report of even date attached

**For Kucheria & Associates**

Chartered Accountants

Firm Regn. No.105391W

For and on behalf of the Board

**Neetu Godhwani**

Partner

Membership No.141952

Mumbai, May 30, 2019

**J. R. K. Sarma**

Director

**Mahesh Menon**

Director

**P. B. Deshpande**

Company Secretary

# APPLE FINANCE LIMITED

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

### 1. Corporate Information

Apple Finance Limited ("the Company") is a listed entity incorporated in India. The Holding Company together with its subsidiary ("the Group") are functioning in Mumbai. The address of its Registered Office and principal place of business are disclosed in the introduction to the Annual Report.

### 2. Significant Accounting Policies

#### 2.1 Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under the Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules as amended from time to time.

#### 2.2 Basis of Preparation

These financial statements have been prepared on historical cost basis and mercantile system of accounting where income and expenditure are recognized on accrual basis.

The statement of Cash Flows has been prepared under Indirect Method.

#### 2.3 Summary of Significant Accounting Policies

##### (a) Investment in Equities

All investments are stated at cost of acquisition. The investment 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 investment, wherever required.

##### (b) Provisions

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of a past event for which, reliable estimate can be made of the amount of obligation and it is probable that the Company will be required to settle the obligation. When a provision is measured using cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows unless the effect of time value of money is immaterial.

##### (c) Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks, which are unrestricted for withdrawal and usage.

##### (d) Contingencies

A contingent liability is a possible obligation that arises from past event whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



Note 3: Property, Plant and Equipment

(₹)

Description of Assets	Gross Block (At Cost)				Depreciation				Net Block	
	As at 1 <sup>st</sup> April, 2018	Additions	Deductions	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	For the year	Deductions	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Tangible Assets</b>										
Freehold Land	955,066	-	-	955,066	-	-	-	-	955,066	955,066
Buildings	83,986,390	-	-	83,986,390	34,171,220	1,416,425	-	35,587,645	48,398,745	49,815,170
Office Equipment	4,047,326	-	-	4,047,326	4,047,326	-	-	4,047,326	-	-
Computers	18,218,498	-	-	18,218,498	18,218,498	-	-	18,218,498	-	-
Electrical Fittings	1,390,185	-	-	1,390,185	1,390,185	-	-	1,390,185	-	-
Furniture and Fixtures	16,580,813	-	-	16,580,813	16,455,068	16,225	-	16,471,293	109,520	125,745
Vehicles	1,636,924	-	-	1,636,924	1,611,835	25,089	-	1,636,924	-	25,089
<b>Total (A)</b>	126,815,202	-	-	126,815,202	75,894,131	1,457,739	-	77,351,871	49,463,331	50,921,071
<b>Intangible Assets (B)</b>	-	-	-	-	-	-	-	-	-	-
<b>Total (A + B)</b>	126,815,202	-	-	126,815,202	75,894,131	1,457,739	-	77,351,871	49,463,331	50,921,071
<b>Previous Year</b>	126,815,202	-	-	126,815,202	74,298,976	1,595,154	-	75,894,130	50,921,071	52,516,225
<b>Capital Work-in-Progress</b>	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets under Development</b>	-	-	-	-	-	-	-	-	-	-



# APPLE FINANCE LIMITED

## Note 4: Non-Current Investments

Particulars	No. of Securities	Face Value (₹)	As at 31 <sup>st</sup> March, 2019 (₹)	As at 31 <sup>st</sup> March, 2018 (₹)
<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
Cipla Limited	36,510	2	652,302	652,302
Anjani Solvents India Limited	74,853	10	744,890	744,890
Anod Plasma Spray Limited	75,000	10	-	-
Indian Lead Limited	332,066	10	-	-
Inland Printers Limited	33,300	10	-	-
Pittie Cements & Industries Limited	118,126	10	-	-
Sagar Tourist Resorts Limited	21,342	10	-	-
Shri Renuga Textiles Limited	40,000	10	-	-
Vital Foods Limited	93,900	10	-	-
Vedanta Limited	5,800	1	51,023	51,023
<b>Total (A)</b>			10,099,415	10,099,415
<b>Unquoted Investments - Equity Shares (At Cost)</b>				
Aldrich Pharmaceuticals Limited	210,000	10	-	-
Spectrum Alkyd & Resins Limited	133,333	10	-	-
Vijaya Home Loans Limited	50,000	10	-	-
Armour Pharmaceuticals Limited	593,750	10	8,386,690	8,386,690
Deluxe Fabrics Limited	250,000	10	4,780,421	4,780,421
Indo Deutsche Metallo Chimique Limited	145,000	10	24,539,919	24,539,919
Union Motor Services Limited	366,667	10	8,806,560	8,806,560
<b>Total (B)</b>			46,513,590	46,513,590
<b>Unquoted Investments - Debentures (At Cost)</b>				
18 % Unsecured Redeemable Non-Convertible Debentures of Century Wood Limited	40,000	100	5,850,000	5,850,000
<b>Total (C)</b>			5,850,000	5,850,000
<b>Total (A + B + C)</b>			62,463,005	62,463,005
Aggregate market value of Quoted Investments - Equity Shares			221,413,370	252,588,008
Aggregate value of Unquoted Investments - At Cost			46,513,590	52,363,590
<b>Total</b>			267,926,960	304,951,598

### Notes:

- Market value of quoted investments includes only market value of Cipla Limited, Ambika Cotton Mills Limited and Vedanta Limited since market value of other quoted shares is not available.
- Market value of unquoted investments is not available and, therefore, it is valued at cost.
- In previous year, investment write down are accounted, considering the nature of investment, ageing and net realisable value. A number of securities, categories under quoted, unquoted investments and inventories have not yielded any value whatsoever since acquisition. Further, these securities are not quoted on any Stock Exchange for a very long time. Therefore, the provisions for Non-Performing Assets of ₹ 6,90,33,020 available has been set off against ₹ 3,53,23,020 under quoted investment category, ₹ 90,35,000 under unquoted investment category and ₹ 2,46,75,000 under inventories.


**Note 5: Inventories**

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(Valued at cost or market value whichever is lower)</b>		
1,41,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited Note: Inventory write down are accounted, considering the nature, ageing, liquidation plan and net realizable value, write downs of inventories amounted to ₹ Nil (Previous year ₹ 2,46,75,000). The changes in write down are adjusted against Provisions of Non-Performing Assets)	-	-
<b>Total</b>	-	-

**Note 6: Cash and Cash Equivalents**

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Cash on Hand	7,230	86,236
Balance with Banks in Current Accounts	4,646,521	740,038
<b>Total</b>	4,653,751	826,274

**Note 7: Bank Balance Other than Cash and Cash Equivalents**

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Bank Deposits (more than 3 months but less than 12 months maturity)	210,606,769	11,590,577
Bank Deposits (more than 12 months maturity) *	-	202,316,267
* Out of which ₹ 19,45,06,527 is under lien with Kotak Mahindra Bank Limited (Previous year ₹ 18,23,16,267)		
<b>Total</b>	210,606,769	213,906,844

**Note 8: Other Current Assets**

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest accrued on Fixed Deposits with Banks	2,554,896	2,531,037
Security Deposits	849,710	423,010
Prepaid Expenses	3,978	29,080
Other Receivables	2,175,000	2,159,453
Sales Tax paid against Appeal	184,217	184,217
Advance Income Tax and TDS	3,077,138	3,072,449
<b>Total</b>	8,844,939	8,399,246

**Note 9: Share Capital**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	(₹)	No. of Shares	(₹)
<b>Authorized</b>				
Equity Shares of ₹ 10 each	75,000,000	750,000,000	75,000,000	750,000,000
Preference Shares of ₹ 100 each	7,500,000	750,000,000	7,500,000	750,000,000
<b>Total</b>	82,500,000	1,500,000,000	82,500,000	1,500,000,000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each fully paid up	55,673,122	556,731,220	55,673,122	556,731,220
Less: Calls in arrears by others	-	29,743	-	29,743
<b>Total</b>	55,673,122	556,701,477	55,673,122	556,701,477
<b>Reconciliation of number of shares</b>				
<b>Equity Shares</b>				
Opening Balance after Calls in Arrears	55,673,122	556,701,477	55,673,122	556,701,477
Add: Issued during the year	-	-	-	-
Less: Buy-back/Reduction during the year	-	-	-	-
Closing Balance	55,673,122	556,701,477	55,673,122	556,701,477

# APPLE FINANCE LIMITED

## Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholders	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares</b>				
Honcho Trading Private Limited	10,583,380	19.01	10,583,380	19.01
Chivas Trading Private Limited	3,168,216	5.69	3,168,216	5.69
Apple Finance Employees Welfare Trust	3,316,680	5.96	3,316,680	5.96

Note:

The Company has not allotted any shares during the last five years, preceding March 31, 2019

### Note 10: Other Equity

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
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
Capital Reserve	6,933,420	6,933,420
Capital Reserve on Settlement of Loans	427,026,185	427,026,185
Reserve Fund u/s. 45IC(1) of the RBI Act, 1934	77,000,000	77,000,000
Retained Earnings	(1,415,042,288)	(1,416,083,023)
<b>Total</b>	<b>(384,082,683)</b>	<b>(385,123,418)</b>

### Note 11: Provisions (Non-Current Liabilities)

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Non-Performing Assets	153,733,170	153,733,170
Balance of Provision for Non-performing Assets write-off against quoted, unquoted investments and inventories aggregating to ₹ Nil (Previous year ₹ 6,90,33,020)		
<b>Total</b>	<b>153,733,170</b>	<b>153,733,170</b>

### Note 12: Trade Payables (Current Liabilities)

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Others	977,470	855,959
<b>Total</b>	<b>977,470</b>	<b>855,959</b>

### Note 13: Other Current Liabilities

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Other Payable	337,034	333,682
Duties and Taxes Payable	158,725	173,623
<b>Total</b>	<b>495,759</b>	<b>507,305</b>

### Note 14: Provisions (Current Liabilities)

(₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Employee Benefits	368,265	720,000
Provision for Expenses	7,838,337	9,121,947
<b>Total</b>	<b>8,206,602</b>	<b>9,841,947</b>

**Note 15: Revenue from Operations**

(₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Hire-Purchase Income	1,500	-
<b>Total</b>	<b>1,500</b>	<b>-</b>

**Note 16: Other Income**

(₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Interest on Fixed Deposit with Bank (TDS ₹15,47,145; Previous year ₹15,29,993)	15,407,591	15,299,069
Interest on Income Tax Refund	107,964	638,109
Dividend Income	4,740,315	1,980,010
<b>Total</b>	<b>20,255,870</b>	<b>17,917,188</b>

**Note 17: Employee Benefits Expenses**

(₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Salaries and Wages	3,996,327	4,065,198
Contribution to Provident and Other Funds	409,541	640,329
Staff Welfare Expenses	28,646	48,504
<b>Total</b>	<b>4,434,514</b>	<b>4,754,031</b>

**Note 18: Other Expenses**

(₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Electricity Charges	184,231	180,965
Repairs to Building	264,941	-
Repairs and Maintenance - Others	54,707	36,440
Insurance	19,886	40,861
Rates and Taxes	238,735	268,596
Society Charges (includes ₹ 17,27,638 for prior period, Previous Year ₹ Nil)	1,813,507	330,463
Legal and Professional fees	3,932,125	2,199,830
ROC Filing Fees	47,780	25,092
Printing and Stationery	57,767	56,581
Telephone and Fax Expense	110,745	172,092
Courier Expenses	67,730	8,442
Security and Service Charges	775,751	512,419
Travelling Expenses (including Foreign Travel)	647,896	1,224,246
Conveyance	22,870	15,967
Motor Car Expenses	606,511	1,017,079
AGM Expenses	18,63,782	1,793,562
Postal Ballot Expenses	11,05,612	-
Registrar, Share and Debenture Expenses	780,731	678,356
Directors' Sitting Fees	40,500	18,000
Bank Charges	212	568
Books and Periodicals	6,274	12,421
Miscellaneous Expenses	13,090	77,650
Payments to Auditors:		
(a) as Auditors	433,000	413,000
(b) for Tax Audit	118,000	118,000
(c) for Limited Review Audit	118,000	118,000
<b>Total</b>	<b>13,324,382</b>	<b>9,318,630</b>

# APPLE FINANCE LIMITED

## Note 19: Earning Per Equity Share

(₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Profit attributable to Equity holders of the Company (a)	1,040,735	2,249,373
Weighted average number of Equity Shares for basic and diluted (b)	55,673,122	55,673,122
Basic and Diluted Earning per Share (a/b)	0.02	0.04

## NOTE 20: NOTES TO ACCOUNTS

	As at 31 <sup>st</sup> March 2019 (₹)	As at 31 <sup>st</sup> March 2018 (₹)
(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 has changed its Object to carry on Trading and Consultancy activities. Also, the Company does have business income from Interest, etc. and has Stock-in-Trade for business and hence, the Accounts have been prepared on the Going Concern Basis and Historical Cost Method.		
(2) Contingent Liabilities in respect of:		
(a) 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
(b) In the arbitration proceedings initiated by M. S. Shoes East Limited, an ex parte Award has been passed against the Company for ₹ 5,72,16,043 plus 18% interest, aggregating to ₹ 14,81,48,795 which the Company has been contesting in the Civil Suit (Original Side) No.2273 of 2012 before the High Court of Delhi.	148,148,795	-
(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:

Particulars	For the year ended 31 <sup>st</sup> March 2019 (₹)	For the year ended 31 <sup>st</sup> March 2018 (₹)
Salaries and contribution to the Provident and other funds	25,12,725	26,73,027
Perquisites*	16,500	1,05,600
<b>Total</b>	<b>25,29,225</b>	<b>27,78,627</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 March 31, 2019 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 2019 (₹)	For the year ended 31 <sup>st</sup> March 2018 (₹)
(i) Directors/Key Managerial Personnel: Remuneration		
a) Mr. Mahesh K. Rachh, Managing Director	25,29,225	27,78,627
b) Mr. P. B. Deshpande, Manager	14,07,645	11,65,995
(ii) Directors and their relatives - Professional Fees		
Mrs. Anita Menon: Director's spouse	1,20,000	1,20,000
iii) Directors Sitting fees		
a) Mr. Mahesh Menon, Director	10,500	6,000
b) Mrs. Jacqueline Patel, Director	10,500	6,000
c) Mr. J. R. K. Sarma, Director	10,500	-
d) Mr. Mahendra Shah, Director	7,500	6,000
e) Mr. Mahesh K. Rachh, Director	1,500	-
iv) Loans and advances		
Apple Asset Management Limited - Subsidiary Company	48,82,500	48,82,500
[Maximum amount outstanding during the year ₹ 48,82,500; (Previous year ₹ 49,62,500)]		



# APPLE FINANCE LIMITED

- (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 ₹ 5,16,15,629. 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 2019 (₹)	As at 31 <sup>st</sup> March 2018 (₹)
Deferred Tax Asset:		
(1) Carry forward losses (including Unabsorbed Depreciation)	63,505,975	62,898,370
(2) Depreciation	(11,890,346)	(12,061,922)
Deferred Tax Asset (net)	51,615,629	50,836,448

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

Particulars	As at 31 <sup>st</sup> March 2019 (₹)	As at 31 <sup>st</sup> March 2018 (₹)
Unquoted		
141,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	-	-
(b) Quantitative Details:-		
(i) Opening Stock		
Quantity (Nos.)	1,41,000	1,41,000
Value (₹)	-	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 (₹)	-	-

- (12) As per the Accounting Standard 13, Stock-in-Trade (Shares) is required to be recognized at cost or fair value whichever is less.
- (13) Cash Flow is prepared as per Indirect Method.
- (14) 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 20

As per our Report of even date attached  
**For Kucheria & Associates**  
 Chartered Accountants  
 Firm Regn. No.105391W

For and on behalf of the Board

**Neetu Godhwani**  
 Partner  
 Membership No.141952  
 Mumbai, May 30, 2019

**J. R. K. Sarma**  
 Director

**Mahesh Menon**  
 Director

**P. B. Deshpande**  
 Company Secretary

Q



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