



APPLE FINANCE LIMITED

30TH ANNUAL REPORT 2015-2016

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REGISTERED OFFICE

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

BOARD OF DIRECTORS

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

AUDITORS

Messrs Mahendra Kumbhat & Associates
Chartered Accountants

30TH ANNUAL GENERAL MEETING

On Friday, September 23, 2016
at 3.30 p.m. at M. C. Ghia Hall, Bhogilal
Hargovindas Building, Floor 4
18/20 Kaikhushru Dubash Marg
Mumbai 400 001

REGISTRAR & TRANSFER AGENT

Bigshare Services Private Limited
E-2/3 Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri (East), Mumbai 400 072
Phone: +91-022-4043 0200
Fax: +91-022-2847 5207
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

APPLE FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Apple Finance Limited will be held on Friday, September 23, 2016 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt:-
 - a) the audited financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and the Auditors thereon; and
 - b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2016.
2. To appoint a Director in place of Mr. Mahesh K. Rachh (DIN:00458665), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for reappointment.
3. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:-

“RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013, the Companies (Audit & Auditors) Rules, 2014, and such other applicable provisions, if any, of the said Act and/or Rules framed thereunder, M/s. Mahendra Kumbhat & Associates, Chartered Accountants (ICAI Regn. No.105770W), be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the reappointment of Mr. Mahesh K. Rachh (DIN:00458665) as the Managing Director of the Company, for a period of 2 (two) years with effect from August 9, 2016, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (“the Board”) to alter and vary the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Mahesh K. Rachh, subject to the same not exceeding the limits specified under Section 197 read with Schedule V

to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

FURTHER RESOLVED THAT Mr. Mahesh K. Rachh shall be liable to retire by rotation.

AND THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 94(1) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, consent of the Company be and is hereby accorded to the effect that the Registers and Indices of Members and Debentureholders, and copies of the Annual Returns under Section 92 of the said Act, together with copies of certificates and documents required to be annexed thereto or any one or more of them, be kept at the office of the Company’s Registrar & Transfer Agent, Bigshare Services Private Limited, E-2/3 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072.”

6. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:-

“RESOLVED THAT pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and the rules prescribed thereunder, consent of the Company be and is hereby accorded to charge a Member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any such request has been made by a Member for delivery of documents to him through such mode of service, provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

AND THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, duly completed and signed, should be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before the commencement of the Meeting.

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.

2. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of the Director proposed to be reappointed, along with the nature of his expertise in specific functional areas, names of entities in which he holds directorships and memberships/chairmanships of Board Committees, his shareholding in the Company and his relationship with other Directors as stipulated in Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are provided in the Exhibit to the Notice.
4. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Company's Registered Office on all working days (Monday to Friday), except Saturdays, Sundays and holidays between 3.00 p.m. and 5.00 p.m. up to the date of the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 20, 2016 to Friday, September 23, 2016 (both days inclusive).
8. Members holding shares in physical form are requested to notify the change, if any, in their address to the Registrar & Transfer Agent of the Company at the following address: Bigshare Services Private Limited at E-2/3 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072.
9. Securities & Exchange Board of India has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Bigshare Services Private Limited.
10. 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. Company's Registrar & Transfer Agent 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.
11. 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 Company's Registrar & Transfer Agent, Bigshare Services Private Limited, for consolidation into a single folio.
12. The Notice of the Meeting along with the 30th Annual Report for the financial year 2015-2016 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
13. 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 Friday, September 16, 2016 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. Friday, September 16, 2016, 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 Tuesday, September 20, 2016 at 10 a.m. and will end on Thursday, September 22, 2016 at 5.00 p.m. During this period, the Members of the Company holding shares either in physical form or in electronic form as on the Cut Off date i.e. Friday, September 16, 2016 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.

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- (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 Friday, September 16, 2016.
- (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 Tuesday, September 20, 2016 (10.00 a.m.) and ends on Thursday, September 22, 2016 (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 Friday, September 16, 2016 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
 - (c) Click on "Shareholders" 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 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"> • 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. • 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 Sr. No. 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to log in.</p> <ul style="list-style-type: none"> • 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 (iv)

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for Apple Finance Limited on which you choose to vote.



- (l) On the Voting Page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you 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 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
 - 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 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 under Help Section or write an email to 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
- (x) The Chairman shall, at the Meeting, at the end of the discussion on the resolutions on which voting is to be held, allow voting, with the assistance of the Scrutinizer, by use of Poll Paper for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-Voting facility.
- (xi) The Scrutinizer shall immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall not later than three days of conclusion of the Meeting, issue a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
- (xii) The results declared, along with the Scrutinizer's Report, will be placed immediately, after the declaration of the same by the Chairman on the Company's website www.applefinance.co.in and on the website of CDSL i.e. www.evotingindia.com and also be communicated to BSE Limited, where the shares of the Company are listed.

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

Item No.4

The Board of Directors of the Company ("the Board"), at its Meeting held on May 30, 2016 has, subject to the approval of Members, reappointed Mr. Mahesh K. Rachh as the Managing Director for a period of 2 (two) years from the expiry of his present term, which expires on August 8, 2016, at the remuneration approved by the Board.

It is proposed to seek Members' approval for the reappointment of and remuneration payable to Mr. Mahesh K. Rachh as the Managing Director in terms of the applicable provisions of the Act.

Mr. Mahesh K. Rachh, in the previous financial year, was paid a remuneration of ₹ 27,11,125.

Broad particulars of the terms of reappointment of and the revised remuneration payable to Mr. Mahesh K. Rachh are as under:-

Term – 2 (two) years with effect from August 9, 2016, subject to earlier termination by either the Company or him by three months' prior notice.

Salary including perquisites, ex-gratia and other allowances not exceeding ₹ 26,00,000 (Rupees twenty six lac only) per annum.

In addition, Mr. Mahesh K. Rachh will be allowed the following benefits:-

- The Company shall pay annual premium towards personal accident insurance as per the rules of the Company.
- The Company shall pay fees of clubs as per the rules of the Company, subject to a maximum of two clubs. This will, however, not include admission and life membership fee.

Mr. Mahesh K. Rachh will also be entitled to the following perquisites, which will not be included in the computation of ceiling on remuneration specified above:-

- Contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- Gratuity: Payable as per the rules of the Group Gratuity Scheme of the Company.
- Encashment of leave at the end of the tenure.

The perquisites and allowances, wherever applicable, shall be evaluated as per the Income-tax Rules, 1962.

Expenses reasonably incurred for travelling, board and lodging as well as use of cars and telephone in connection with the Company's business shall be reimbursed and not considered as perquisites.

Mr. Mahesh K. Rachh, so long as he functions as the Managing Director, shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

Where in any financial year during the term of office of Mr. Mahesh K. Rachh as the Managing Director, the Company has no profits or its profits are inadequate, the Board shall be entitled to pay to Mr. Mahesh K. Rachh such remuneration not exceeding the limits specified under Section II of Part II of Schedule V to the Act including any statutory modification(s) or re-enactment thereof, for the time being in force.

Mr. Mahesh K. Rachh satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of reappointment of Mr. Mahesh K. Rachh under Section 190 of the Act.

Brief resume of Mr. Mahesh K. Rachh, along with nature of his expertise in specific functional areas, names of entities in which he holds directorships and memberships/chairmanships of Board Committees, his shareholding in the Company and his relationship with other Directors as stipulated under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided in the Exhibit to the Notice.

Mr. Mahesh K. Rachh is interested in the resolution set out at item No.4 of the Notice, which pertains to his reappointment and remuneration payable to him.

Save and except Mr. Mahesh K. Rachh and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

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

Item No.5

The Board of Directors of the Company at their meeting held on May 30, 2016 have decided to appoint Bigshare Services Private Limited as the Registrar & Transfer Agent in place of Sharepro Services (India) Private Limited, with effect from July 1, 2016.

In accordance with Section 94(1) of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, the Registers and Indices of Members and Debentureholders, and copies of the Annual Returns under Section 92 of the Companies Act, 2013 are required to be kept and maintained at the Registered Office of the Company, unless a Special Resolution is passed at a general meeting authorizing keeping of the Registers at any other place within the city, town or village in which the Registered Office is situate.

The Resolution at Item No.5 is proposed for keeping Register of Members/Debentureholders and other related records at the Office of Bigshare Services Private Limited situate at E-2/3 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072.



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

The Board commends the Special Resolution set out at Item No.5 of the Notice for approval by the shareholders.

Item No.6

As per the provisions of Section 20 of the Companies Act, 2013, document may be served on any Member by sending it to him by post or registered post or by speed post or by courier or by delivery at his office or address, or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a Member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. Accordingly, the Board of Directors at its meeting held on May 30, 2016 has proposed that a sum equivalent to the estimated actual expenses of delivery of documents through a particular mode, if any such request has been made by any Member for delivery of document to him through such mode of service, be taken to cover the cost of

such delivery.

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

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the shareholders.

By Order of the Board of Directors

P. B. Deshpande
Company Secretary

Mumbai, May 30, 2016

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

APPLE FINANCE LIMITED

EXHIBIT TO THE NOTICE

Brief Resume of the Director Seeking Reappointment as Director at the 30th Annual General Meeting (As on March 31, 2016)

Particulars	Mahesh K. Rachh
Date of Birth	30.10.1956
Date of Appointment	09.08.2001
Qualifications	B.A., LL.B.
Expertise in specific functional areas	Over 28 years corporate experience in various fields including financial services area
Relationship with other Directors	None
Directorship held in other companies	Shree Gajanan Chemical Industries Pvt. Ltd.
Memberships/Chairmanships of Committees of other companies (only Audit and Stakeholders Relationship Committee)	None
Shareholding in the Company	None



DIRECTORS' REPORT

Your Directors present their thirtieth Annual Report together with audited financial statement of the Company for the financial year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

The financial results of your Company for the year ended March 31, 2016 as compared to the previous year are summarized below:-

	₹ Lac	₹ Lac
	Year ended 31.03.2016	Year ended 31.03.2015
Gross Income	227.29	220.64
Profit/(Loss) before Depreciation And Taxation	105.33	68.77
Less: Depreciation	24.83	27.50
Profit/(Loss) before Taxation	80.50	41.27
Provision for Taxation	0.01	0.02
Net Profit/(Loss) after Taxation	80.49	41.25

AMOUNTS CARRIED TO RESERVES

The Net Profit of ₹ 80.49 lac has been transferred to the Profit and Loss Account and as such, no amount has been carried to Reserves.

STATE OF AFFAIRS, MANAGEMENT DISCUSSION AND ANALYSIS

As the business was unviable, the Company during the financial year 2003-2004 surrendered its Certificate of Registration of Non-Banking Financial Institution to Reserve Bank of India and since then the Company has not embarked on any new business activity. During the year under review, the Company continued its focus on recovery of dues. Efforts have been made to control the operational expenses, wherever possible.

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

SUBSIDIARY

As on March 31, 2016, 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 and marked as Annexure 'A' to this Report.

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

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

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

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, the extract of the Annual Return as at March 31, 2016 forms part of this Report as Annexure 'B'.

NUMBER OF MEETINGS OF THE BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:-

- in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- 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 were operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were 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.

APPLE FINANCE LIMITED

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

Messrs Mahendra Kumbhat & Associates, Chartered Accountants (ICAI Registration No.105770W), Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from Messrs Mahendra Kumbhat & Associates to the effect that the reappointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for reappointment.

Members are requested to consider their reappointment as the Auditors of the Company and authorize the Board of Directors to fix their remuneration.

AUDITORS' REPORT

As regards observations of the Auditors under the head 'Opinion' in the Independent Auditors' Report, attention of the Members is invited to Note Nos.19(1) and 19(10) to the Annual Accounts, which are self-explanatory.

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

AUDIT COMMITTEE

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Pramod S. Shah & Associates, Practicing Company Secretaries as the Secretarial Auditor of your Company for the financial year ended March 31, 2016. The Secretarial Audit Report is annexed as Annexure 'C'.

With reference to the observations made in the Secretarial Audit Report dated May 27, 2016 regarding non-compliance with Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 regarding non-appointment of a Chief Financial Officer, your Directors submit that the said observations have been duly noted and necessary action is being initiated to comply with the requirement of the said Section.

LOANS, GUARANTEES AND INVESTMENTS

During the financial year under review, the Company has neither accepted any loan or guarantee nor has made any investment

attracting the provisions of Section 186 of the Companies Act, 2013.

CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

All related party transactions which were entered into during the financial year ended March 31, 2016 were in the ordinary course of business and on arm's length basis to serve mutual need and mutual interest and as such, outside the purview of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions made by your Company. The Company has accordingly nothing to report in Form No.AOC-2 and hence the same is not annexed.

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

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

MATERIAL CHANGES AND COMMITMENTS

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

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

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

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

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

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



constitution of a Corporate Social Responsibility Committee.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

At the 30th Annual General Meeting scheduled to be held on September 23, 2016, Mr. Mahesh K. Rachh is sought to be reappointed as the Director and the Managing Director of the Company.

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

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

BOARD EVALUATION

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

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

VIGIL MECHANISM

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

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

PARTICULARS OF EMPLOYEES

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

SHARE CAPITAL

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

DISCLOSURE ON SHARES HELD IN SUSPENSE ACCOUNT

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

DEPOSITS

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

CONSOLIDATED FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE

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

ORDERS BY REGULATORS, COURTS OR TRIBUNALS

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

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 &

APPLE FINANCE LIMITED

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.

HUMAN RESOURCES

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Mahesh K. Rachh
Managing Director

Mahendra S. Shah
Director

Place: Mumbai
Date: May 30, 2016



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, 2015 to March 31, 2016
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	:	Not applicable
Share Capital	:	₹ 11,20,00,000
Reserves & Surplus	:	(₹ 10,62,26,964)
Total Assets	:	₹ 5,24,39,364
Total Liabilities	:	₹ 4,66,66,328
Investments	:	₹ 5,24,14,613
Turnover	:	Nil
Profit before Taxation	:	(₹ 62,611)
Provision for Taxation	:	Nil
Profit after Taxation	:	(₹ 62,611)
Proposed Dividend	:	Nil
% of Shareholding	:	100%

Notes:

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

Part "B"

Associates and Joint Ventures

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

Not Applicable

For and on behalf of the Board

Mahesh K. Rachh **Mahendra S. Shah**
Managing Director *Director*

Place: Mumbai

Date: May 30, 2016

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ANNEXURE "B"

FORM NO.MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L65910MH1985PLC037767
2	Registration Date	15/10/1985
3	Name of the Company	Apple Finance Limited
4	Category/Sub-category of the Company	Public Company - Limited by Shares
5	Address of the Registered Office & contact details	8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023, India Tel.: 91-22-2288 6100 Fax : 91-22-2288 6106
6	Whether listed company	Yes, on BSE Ltd.
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	13751596	—	13751596	24.70%	13751596	—	13751596	24.70%	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
Sub Total (A) (1)	13751596	—	13751596	24.70%	13751596	—	13751596	24.70%	—



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Any other	—	—	—	—	—	—	—	—	—
Sub Total (A) (2)	—	—	—	—	—	—	—	—	—
TOTAL (A)	13751596	—	13751596	24.70%	13751596	—	13751596	24.70%	—
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	50	13265	13315	0.02%	50	13265	13315	0.02%	—
b) Banks / FI	5785	9455	15240	0.03%	3795	3555	7350	0.02%	-51.77%
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIIs	—	200	200	—	—	200	200	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1)	5835	22920	28755	0.05%	3845	17020	20865	0.04%	-27.44%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3309717	126012	3435729	6.17%	3243269	131912	3375181	6.06%	-1.76%
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12371480	14039166	26410646	47.44%	12176519	14002979	26179498	47.02%	-0.88%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7796022	36300	7,832,322	14.07%	8111063	36300	8147363	14.64%	4.02%
c) Others (specify)	—	—	—	—	—	—	—	—	—
Non Resident Indians	273582	623362	896,944	1.61%	259597	621862	881459	1.58%	-1.73%
Overseas Corporate Bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	—	—	—	—	—	—	—	—	—
Clearing Members	—	—	—	—	—	—	—	—	—
Trusts	3216990	100140	3317130	5.96%	3217020	100140	3317160	5.96%	—
Foreign Bodies	—	—	—	—	—	—	—	—	—
Sub-total (B)(2)	26967791	14924980	41892771	75.25%	27007468	14893193	41900661	75.26%	0.02%
Total Public (B)	26973626	14947900	41921526	75.30%	27011313	14910213	41921526	75.30%	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	40725222	14947900	55673122	100.00%	40762909	14910213	55673122	100.00%	—

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(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chivas Trading Private Limited	3168216	5.69%	—	3168216	5.69%	—	—
2	Honcho Trading Private Limited	10583380	19.00%	—	10583380	19.00%	—	—

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

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	No Change		13751596	—	13751596	—
	Changes during the year	No Change		—	—	—	—
	At the end of the year	No Change		—	—	13751596	—

(iv) Shareholding Pattern of top ten Shareholders

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

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Apple Finance Employees Welfare Trust						
	At the beginning of the year	1/4/2015		3316680	5.96	3316680	5.96
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	3316680	5.96
2	Bharat Equity Service Ltd.						
	At the beginning of the year	1/4/2015		1400000	2.51	1400000	2.51
	Changes during the year		Transfer			30000	2.14
	At the end of the year	31/3/2016		—	—	1430000	2.57
3	Apple Credit Corporation Ltd.						
	At the beginning of the year	1/4/2015		650000	1.16	650000	1.16
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	650000	1.16
4	Manna Jitendra Shah						
	At the beginning of the year	1/4/2015		495000	0.89	495000	0.89
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	495000	0.89
5	Gaurav Ashokkumar Gosalia						
	At the beginning of the year	1/4/2015		389520	0.70	389520	0.70
	Changes during the year		Transfer	—	—	5180	1.33
	At the end of the year	31/3/2016		—	—	394700	0.71
6	Ketan Dalpat Shah						
	At the beginning of the year	1/4/2015		300000	0.54	300000	0.54
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	300000	0.54
7	Foujdar Avinash Sudhakar						
	At the beginning of the year	1/4/2015		100584	0.18	100584	0.18
	Changes during the year		Transfer	—	—	125416	125.00
	At the end of the year	31/3/2016		—	—	226000	0.41



Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
8	Naresh Bhavanji Chheda						
	At the beginning of the year	1/4/2015		200000	0.36	200000	0.36
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	200000	0.36
9	Karvy Stock Broking Limited						
	At the beginning of the year	1/4/2015		123470	0.22	123470	0.22
	Changes during the year		Transfer	—	—	33935	27.48
	At the end of the year	31/3/2016		—	—	157405	0.28
10	Maltiben Ashokbhai Gosaliya						
	At the beginning of the year	1/4/2015		108100	0.19	108100	0.19
	Changes during the year		Transfer	—	—	39300	36.36
	At the end of the year	31/3/2016		—	—	147400	0.26

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mahesh Karsandas Rachh						
	At the beginning of the year	1/4/2015		—	—	—	—
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	—	—
2	Mahesh Raghavan Menon						
	At the beginning of the year	1/4/2015		100	—	100	—
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	100	—
3	Mahendra S. Shah						
	At the beginning of the year	1/4/2015		—	—	—	—
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	—	—
4	Jacqueline Patel						
	At the beginning of the year	1/4/2015		—	—	—	—
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	—	—
5	P.B. Deshpande						
	At the beginning of the year	1/4/2015		600	—	600	—
	Changes during the year			—	—	—	—
	At the end of the year	31/3/2016		—	—	600	—

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V. INDEBTEDNESS

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

(₹)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Mahesh K. Rachh	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,267,725	2,267,725
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	155,600	155,600
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961	—	—
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission		
	- as % of profit	—	—
	- others, specify	—	—
5	Others: Company's contribution to P.F., Superannuation and Medical Reimbursement	287,800	287,800
	Total (A)	2,711,125	2,711,125
	Ceiling as per the Act	4,200,000	4,200,000

B. Remuneration to other Directors

(₹)

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mahendra S. Shah	Jacqueline Patel	
	Fee for attending board/committee meetings	6,000	6,000	12,000
	Commission	—	—	—
	Others, please specify	—	—	—
	Total (1)	6,000	6,000	12,000
2	Other Non-Executive Directors	Mahesh Menon		-
	Fee for attending board/committee meetings	6,000	—	6,000
	Commission	—	—	—
	Others, please specify	—	—	—
	Total (2)	6,000	—	6,000
	Total (B)=(1+2)	12,000	6,000	18,000
	Total Managerial Remuneration			2,729,125
	Overall Ceiling as per the Act	8,00,000	4,00,000	54,00,000



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

(₹)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
				P. B. Deshpande	
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	—	—	782,400	782,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	39,600	39,600
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission				
	- as % of profit	—	—	—	—
	- others, specify	—	—	—	—
5	Others: Company's Contribution to P.F., Superannuation and Medical Reimbursement	—	—	141,360	141,360
	Total	—	—	963,360	963,360

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

None

For and on behalf of the Board

Mahesh K. Rachh **Mahendra S. Shah**
Managing Director *Director*

Place: Mumbai

Date: May 30, 2016

ANNEXURE "C"

FORM NO.MR 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Apple Finance Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

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, 2016 according to the provisions of:-

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 as amended from time to time;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

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

1. The Listing Agreement entered into by the Company with BSE Limited.
2. The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (with effect from December 1, 2015);
3. 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 (CFO) during the audit period and the Management have informed us that they are under the process of appointing whole-time Chief Financial Officer (CFO) and the same will be appointed in due course.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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



During the period of audit, all the decisions in the Board meetings were carried out unanimously.

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

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

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

Pramod Shah, Partner
Pramod S. Shah & Associates
(Practicing Company Secretaries)
FCS No.: 334
C. P. No.: 3804

Place: Mumbai

Date: May 27, 2016

ANNEXURE "I"

To,
The Members
Apple Finance Limited

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

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

Pramod Shah, Partner
Pramod S. Shah & Associates
(Practicing Company Secretaries)
FCS No.: 334
C. P. No.: 3804

Place: Mumbai

Date: May 27, 2016

ANNEXURE II

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

ANNEXURE "D"

NOMINATION AND REMUNERATION POLICY

PREAMBLE

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

OBJECTIVE

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

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

DEFINITIONS

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

MEMBERSHIP

- The Committee shall comprise at least 3 (three) Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- Minimum 2 (two) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but he/she shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:-
 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
 2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
 3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution.
 - Term/Tenure:-
 1. Managing Director/Whole-Time Director/Manager ("Managerial Person"):
The Company shall appoint or reappoint any person as its Managerial Person for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.
 2. Independent Director:
An Independent Director shall hold office for a term up to five consecutive years on the Board and will be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.
 - Evaluation:
The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria, which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment/reappointment/continuation of Directors on Board shall be subject to outcome of the yearly evaluation process.
 - Removal:
Due to reasons of any disqualification mentioned in the Companies Act, 2013, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act.
 - Retirement:
The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

APPLE FINANCE LIMITED

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 the 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.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. The minutes of the Committee meeting will be tabled at the subsequent Board meeting.

DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

For and on behalf of the Board

Mahesh K. Rachh **Mahendra S. Shah**
Managing Director *Director*

Place: Mumbai

Date: May 30, 2016



ANNEXURE "E"

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

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

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage change in remuneration of the Directors during the financial year 2015-2016 are given below:-

Director/Key Managerial Personnel	Ratio to Median	Percentage increase in remuneration
Mr. Mahesh K. Rachh	8.14	Not Applicable
Mr. P. B. Deshpande	2.66	Not Applicable

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

2. The percentage increase in the median remuneration of employees in the financial year:- Nil.
3. The number of permanent employees on the rolls of Company:- 4.
4. The explanation on the relationship between average increase in remuneration and company performance:-
Not applicable. There was no increase in remuneration during the financial year 2015-2016.
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 ₹ 13.31 crore as on March 31, 2015 to ₹ 10.13 crore as on March 31, 2016. Over the same period, the price earning ratio moved from 32.26 to 12.59.
The price of the Company's equity share as on March 31, 2016 has fallen by 96.36% to ₹ 1.82 over the last public offering in the financial year 1993-1994 at the price of ₹ 50 per share.
7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-
Not applicable. There was no increase in remuneration during the financial year 2015-2016.
8. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:-
The remuneration of each of the Key Managerial Remuneration is fixed taking into account the years of experience, work profile and responsibility of the respective employee and inflation costs.
9. The key parameters for any variable component of remuneration availed by the Directors:-
Not applicable. There is no variable component of remuneration.
10. The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: None.
11. Affirmation that the remuneration is as per the remuneration policy of the Company:-
The remuneration is as per the Company's Nomination and Remuneration Policy.
12. There are no employees within the purview of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board

Mahesh K. Rachh **Mahendra S. Shah**
Managing Director *Director*

Place: Mumbai

Date: May 30, 2016

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, 2016, the Company has four Directors which include a Managing Director. Out of the three Non-Executive Directors, two are the Independent Directors. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Both the Independent Directors of the Company have been appointed under Section 149 of the Companies Act, 2013. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment can be accessed on the Company's website.

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

Composition, category of Directors and their other directorships and Committee memberships as on March 31, 2016:-

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

No. of other Committee Memberships	Board meetings attended	Attendance at the last Annual General Meeting held on September 24, 2015
(4)	(5)	(6)
Nil	4	Present
1	4	Present
1	4	Present
Nil	4	Present

The Company does not have a designated Chairman.

The Board of Directors of the Company met 4 (four) times during the financial year 2015-2016 i.e. on May 29, 2015, August 14, 2015, November 10, 2015 and February 12, 2016.

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, 2016 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://www.applefinance.co.in/pdf/policy/2016/Familiarization%20Programme%20For%20Independent%20Directors.pdf>

3. AUDIT COMMITTEE

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

The brief terms of reference of the Audit Committee includes the following:-

- 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 Management.
- To review the adequacy of internal control systems with the Management, statutory and internal auditors.
- Discussion with the statutory auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred to by the Board.

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

During the financial year 2015-2016, the Audit Committee met four times to deliberate on various matters. The meetings were held on May 29, 2015, August 14, 2015, November 10, 2015 and February 12, 2016. The details of attendance are as follows:-



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

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

Brief terms of reference:-

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

During the financial year 2015-2016, the Nomination and Remuneration Committee did not meet since there was neither a proposal to revise remuneration of Directors, Key Managerial Personnel and Senior Management nor any proposal of appointment of any Director, Key Managerial Personnel and Senior Management.

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 2015-2016:-

Name of Director	Gross Salary and Perquisites (₹)	Contribution to Provident Fund and Superannuation Fund (₹)	Sitting Fees (₹)
Mr. Mahesh K. Rachh	24,23,325	2,87,800	Nil
Mr. Mahesh Raghavan Menon	Nil	Nil	6,000
Mr. Mahendra S. Shah	Nil	Nil	6,000
Ms. Jacqueline K. Patel	Nil	Nil	6,000

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the financial year 2015-2016, four meetings of the Stakeholders Relationship Committee were held on May 29, 2015, August 14, 2015, November 10, 2015 and February 12, 2016 and the same were attended by all the Members of the Committee.

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

Complaints received during the financial year 2015-2016:-

Nature of Complaint	Received	Cleared	Pending
Non-receipt of share Certificates	0	0	Nil
Non-receipt of dividend/ interest warrant	1	1	Nil
Others/miscellaneous	2	2	Nil
Total	3	3	Nil

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

APPLE FINANCE LIMITED

7. GENERAL BODY MEETINGS

Annual General Meeting	Location	Date	Time
29 th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 24, 2015	3.30 p.m.
28 th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 25, 2014	3.30 p.m.
27 th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 25, 2013	3.30 p.m.

Financial Year	Meeting	Date	Time	No. of Special Resolutions passed
2014-2015	29 th AGM	24.9.2015	3.30 p.m.	One
2013-2014	28 th AGM	25.9.2014	3.30 p.m.	Three
2012-2013	27 th AGM	25.9.2013	3.30 p.m.	None

No Special Resolution was put through postal ballot in the last year.

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

8. MEANS OF COMMUNICATION

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

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

9. GENERAL SHAREHOLDER INFORMATION

- Date, time and venue : September 23, 2016 at 3.30 p.m. at of the AGM
M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001
- Financial Year : April 1, 2016 to March 31, 2017
- Adoption of Quarterly Results for the quarter ending : on or before
- June 30, 2016 : August 14, 2016
- September 30, 2016 : November 14, 2016

- December 31, 2016 : February 14, 2017
- March 31, 2017 : May 30, 2017
- Date of Book Closure : September 20, 2016 to September 23, 2016 (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. The Company has paid the annual listing fees to BSE Limited for the financial year 2016-2017.
- 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 2015-2016 are given below.

Year 2015-2016	High (₹)	Low (₹)	No. of Shares
April	2.49	1.85	1,78,814
May	2.47	1.85	1,85,947
June	1.99	1.67	1,47,473
July	2.89	2.64	3,73,771
August	2.69	2.00	1,29,464
September	2.38	1.95	1,20,685
October	2.14	1.84	98,378
November	2.94	2.79	3,18,112
December	3.10	2.58	1,71,278
January	3.90	2.39	5,42,335
February	2.80	2.26	2,18,272
March	2.40	1.82	1,67,241

- Registrar and Transfer Agents : Bigshare Services Private Limited
E-2/3 Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri (East), Mumbai 400 072
Phone: +91-022-4043 0200
Fax: +91-022-2847 5207
Email : investor@bigshareonline.com

- Share Transfer System:-

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



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

- Distribution of Shareholding as on March 31, 2016:-

Shareholding	No. of Folios	% of Total	No. of Shares	% of Total
1-500	115782	94.26	16692142	29.98
501-1000	4141	3.37	3281641	5.89
1001- 2000	1483	1.21	2317262	4.16
2001- 3000	447	0.36	1161315	2.09
3001- 4000	198	0.16	720750	1.29
4001- 5000	245	0.20	1188059	2.14
5001- 10000	263	0.22	2042885	3.67
10001 and above	273	0.22	28269068	50.78
Total	122832	100.00	55673122	100.00

- 73.22% of the Company's equity share capital has been dematerialized up to March 31, 2016.
- 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 2015-2016 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, 2016:-

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	7350	0.02
Foreign Institution Investors and Foreign Portfolio Investors	881659	1.58
Bodies Corporate	3375181	6.06
Others	37644021	67.62
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

10. OTHER DISCLOSURES

- a) All transactions entered by the Company during the financial year 2015-2016 with related parties were in the ordinary course of business and on an arm's length basis and as such, outside the purview of Section 188 of the Companies Act, 2013. During the financial year 2015-2016, the Company had not entered into any contract/ arrangement/transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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

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

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

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

11. MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company is in compliance with the mandatory requirements laid down under the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has not yet adopted the discretionary

APPLE FINANCE LIMITED

requirements as specified in Part 'E' of Schedule II to the said Regulations, however, the Company endeavours to do so in future.

12. COMPLIANCE WITH THE REQUIREMENTS OF CORPORATE GOVERNANCE REPORT

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

13. DISCLOSURE OF ACCOUNTING TREATMENT DIFFERENT FROM ACCOUNTING STANDARDS

None.

14. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

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

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

15. MANAGING DIRECTOR'S CERTIFICATION

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

For and on behalf of the Board

Mahesh K. Rachh
Managing Director

Mahendra S. Shah
Director

Place: Mumbai
Date: May 30, 2016

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

In terms of the requirement of Part 'D' of Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this is to confirm that all Members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2016.

Mahesh K. Rachh
Managing Director

Place: Mumbai
Date: May 30, 2016

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, 2016, as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with BSE Limited.

The compliance of 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. 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 Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with BSE Limited.

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

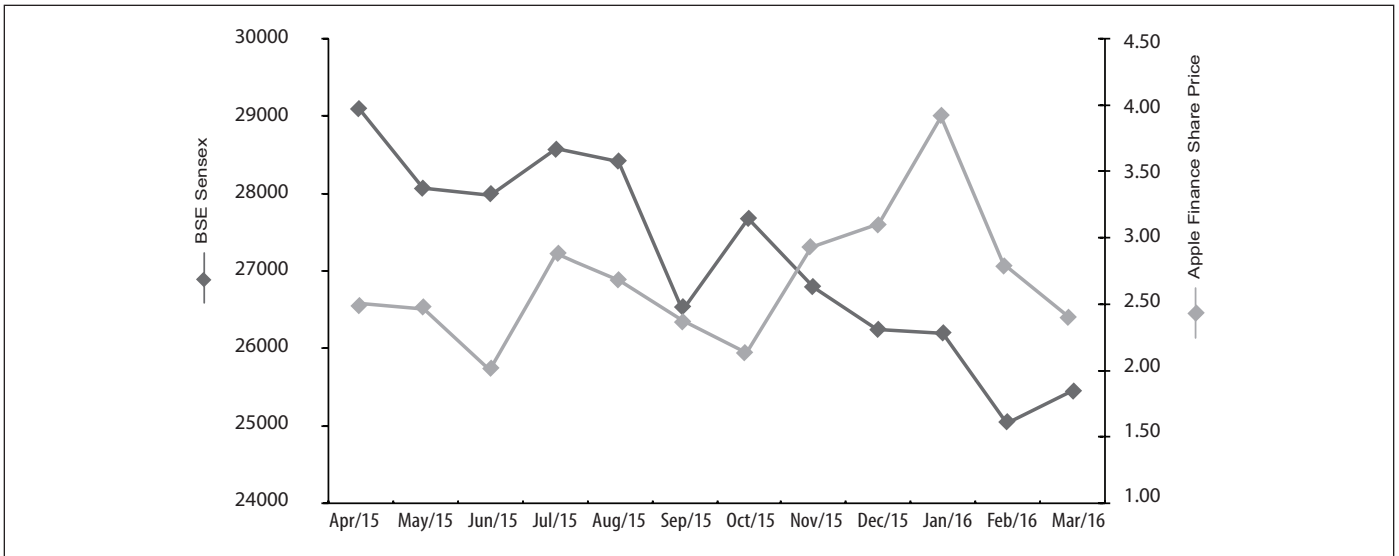
For **Mahendra Kumbhat & Associates**
Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai
Date: May 30, 2016



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



ROAD MAP FOR THE 30TH AGM VENUE



APPLE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of

Apple Finance Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall

presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and cash flows for the year ended on that date, subject to:-

- a) **Point No.1 of Note '19' regarding going concern assumption of the Company.**
- b) **Point No.10 of Note '19' regarding non-consideration of Deferred Tax Assets (Net) amounting to Rs.158,190,287.**

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in exercise of powers conferred by sub-section (11) of Section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules;
 - e. On the basis of the written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, from being appointed as a Director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of 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'; and
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts and as such, the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. Therefore, the question of delay in transferring such sums does not arise.
5. The Company has not accepted deposits from public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
 6. We have been informed that the Central Government has not prescribed the maintenance of Cost records under Section 148(1) of the Act.
 7. (a) We have been informed that during the year under review, the Company has regularly deposited all undisputed statutory dues including the Provident Fund, Employees' State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, wherever applicable. There were no arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

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

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai

Date: May 30, 2016

ANNEXTURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 8 to the standalone financial statements are held in the name of the Company.
2. The inventory has been physically verified at reasonable interval by the Management during the year. The discrepancies noticed on physical verification, as compared to the book records, were not material and have been properly dealt with in the books of account.
3. In our opinion and according to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Hence, the question of reporting under sub clauses (a), (b) and (c) of the clause 3(iii) of the Order does not arise.
4. According to information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of Section 186 of Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
8. According to the information and explanations given to us, the Company has neither issued any debentures nor has any borrowings from any financial institutions and banks. Accordingly, the reporting under Clause 3 (viii) of the Order is not applicable to the Company.
9. The Company has not raised any monies by way of initial public offer, or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3 (ix) of the Order are not applicable to the Company.
10. According to information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to information and explanation given to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
13. According to information and explanation given to us, in our opinion all transactions with related parties are in compliance with Sections 177 and 188 of the Act wherever applicable and the details have been disclosed in Notes to Accounts of Financial Statements as per Accounting Standard 18 "Related Parties Disclosures".
14. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanation given to us, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

APPLE FINANCE LIMITED

16. According to information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **MAHENDRA KUMBHAT & ASSOCIATES**
Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha
Partner
Membership No. 56605

Place: Mumbai

Date: May 30, 2016

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

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2016 in conjunction with our audit of the standalone financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating

effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately 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, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **MAHENDRA KUMBHAT & ASSOCIATES**
Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha
Partner
Membership No. 56605

Place: Mumbai

Date: May 30, 2016



BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note	(₹)	
		As at 31 st March 2016	As at 31 st March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	556,701,477	556,701,477
(b) Reserves and surplus	3	(281,673,902)	(289,723,224)
		<u>275,027,575</u>	<u>266,978,253</u>
Non-current liabilities			
(a) Long-term provisions	4	<u>69,033,020</u>	<u>69,033,020</u>
		<u>69,033,020</u>	<u>69,033,020</u>
Current liabilities			
(a) Trade payables	5	832,884	87,214
(b) Other current liabilities	6	473,244	397,597
(c) Short-term provisions	7	<u>9,331,170</u>	<u>9,627,514</u>
		<u>10,637,298</u>	<u>10,112,325</u>
Total		<u><u>354,697,893</u></u>	<u><u>346,123,598</u></u>
ASSETS			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		54,631,262	56,289,813
(b) Non-current investments	9	<u>54,406,412</u>	<u>54,406,412</u>
		<u>109,037,674</u>	<u>110,696,225</u>
Current assets			
(a) Inventories	10	24,675,000	24,675,000
(b) Cash and bank balances	11	204,870,710	195,593,688
(c) Short-term loans and advances	12	4,902,500	4,848,500
(d) Other current assets	13	<u>11,212,009</u>	<u>10,310,185</u>
		<u>245,660,219</u>	<u>235,427,373</u>
Total		<u><u>354,697,893</u></u>	<u><u>346,123,598</u></u>
Summary of significant accounting policies	1		
Notes to the financial statements	19		
In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.			

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha

Partner
Membership No.56605

Place: Mumbai

Dated: May 30, 2016

On behalf of the Board

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Mahendra S. Shah
Director

Jacqueline Patel
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

		(₹)		
Particulars	Note	Year ending 31 st March 2016	Year ending 31 st March 2015	
I	Revenue from operations	14	6,000	1,009,000
II	Other income	15	22,723,417	21,054,561
III	Total revenue		<u>22,729,417</u>	<u>22,063,561</u>
IV	Expenses:			
	Employee benefits expense	16	4,718,685	5,505,878
	Depreciation and amortization expense	8	2,483,551	2,750,165
	Other expenses	17	7,477,510	9,680,843
V	Total expenses		<u>14,679,746</u>	<u>17,936,886</u>
VI	Profit/(Loss) before exceptional and extraordinary items and tax		8,049,671	4,126,675
VII	Exceptional item		-	-
VIII	Profit/(Loss) before extraordinary items and tax		8,049,671	4,126,675
IX	Extraordinary Items - Prior Period Income		-	-
	Extraordinary Items - Prior Period Expenses	17	-	-
X	Profit/(Loss) before tax		8,049,671	4,126,675
XI	Tax expense:			
	(1) Current tax - Wealth Tax		350	1,884
	(2) Deferred tax		-	-
XII	Profit/(Loss) for the period from continuing operations		<u>8,049,321</u>	<u>4,124,791</u>
XIII	Profit/(Loss) from discontinuing operations		-	-
XIV	Tax expense of discontinuing operations		-	-
XV	Profit/(Loss) from discontinuing operations (after tax)		<u>-</u>	<u>-</u>
XVI	Profit/(Loss) for the period		<u>8,049,321</u>	<u>4,124,791</u>
XVII	Earnings per equity share:	18		
	(1) Basic		0.14	0.07
	(2) Diluted		0.14	0.07
	Summary of significant accounting policies	1		
	Notes to the financial statements	19		

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

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha

Partner
Membership No.56605

Place: Mumbai

Dated: May 30, 2016

On behalf of the Board

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Mahendra S. Shah
Director

Jacqueline Patel
Director

P. B. Deshpande
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2015
(₹)		
A. Cash flow from operating activities:		
Net profit before extraordinary items	8,049,321	4,124,791
Adjustments for:		
Depreciation	2,483,551	2,750,165
Profit/(Loss) on Sale of Assets and Investments	(50,901)	-
Investment Income - Dividend/Interest	(22,446,962)	(19,346,712)
	(20,014,311)	(16,596,547)
Operating profit before working capital changes	(11,964,990)	(12,471,756)
Adjustments for:		
Trade payables and other short-term liabilities	524,974	760,636
Loans and Advances (net)	(22,374)	(1,803,837)
	502,600	(1,043,201)
Cash generated from operations	(11,462,390)	(13,514,958)
Interest paid	-	-
Direct taxes paid (-)/Refund of Income Tax (+)	(933,450)	(16,245)
	(933,450)	(16,245)
Cash flow before extraordinary items	(12,395,840)	(13,531,202)
Extraordinary items	-	-
Net cash from operating activities	A (12,395,840)	(13,531,202)
B. Cash flow from investing activities:		
Purchase and sale of fixed assets including advances given for work-in-progress	(774,099)	(176,450)
Investment redemption/sold	-	-
Interest received	17,143,185	16,948,779
Dividend received	5,303,777	2,397,933
Net cash used in investing activities	B 21,672,862	19,170,262
C. Cash flow from financing activities:		
Proceeds from long-term borrowings (net)	-	-
Net cash used in financing activities	C -	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	9,277,022	5,639,060
Cash and cash equivalents as at the beginning of the year (opening balance)	195,593,688	189,954,628
Cash and cash equivalents as at the end of the year (closing balance)	204,870,710	195,593,688

Notes :

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

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha

Partner
Membership No.56605

Place: Mumbai

Dated: May 30, 2016

On behalf of the Board

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Mahendra S. Shah
Director

Jacqueline Patel
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

NOTE "1" SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention and Concepts

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

2. Fixed Assets

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

3. Depreciation

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

4. Investments

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

5. Valuation of Stocks

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

6. Retirement Benefits

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

- The Company's contribution to the Provident Fund, Pension Fund, Superannuation Fund and other fund is charged to the Profit and 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 and Loss Account.
- Provision is made towards liability for leave encashment.

7. Impairment of Assets

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

NOTE "2" TO BALANCE SHEET AS AT 31ST MARCH 2016

SHARE CAPITAL	Par Value per share (₹)	Balance Outstanding as at 31 st March 2015		Issued/(Reductions) during the year		Balance Outstanding as at 31 st March 2016	
		No. of Shares	Value (₹)	No. of Shares	Value (₹)	No. of Shares	Value (₹)
Equity Share Capital							
Authorized	10	75,000,000	750,000,000	-	-	75,000,000	750,000,000
Issued, Subscribed and Paid-up	10	55,673,122	556,731,220	-	-	55,673,122	556,731,220
Less: Calls in arrears by others		-	29,743	-	-	-	29,743
	10	55,673,122	556,701,477	-	-	55,673,122	556,701,477
Preference Share Capital							
Authorized	100	7,500,000	750,000,000	-	-	7,500,000	750,000,000
Issued, Subscribed and Paid-up	100	-	-	-	-	-	-

	Par Value per share (₹)	No. of Shares	Value (₹)	Holding (%)	No. of Shares	Value (₹)	Holding (%)
		31/03/2015	31/03/2015	31/03/2015	31/03/2016	31/03/2016	31/03/2016
Share held by Holding Company							
Not Applicable							
Holding more than 5%							
Honcho Trading Private Limited	10	10,583,380	105,833,800	19.01	10,583,380	105,833,800	19.01
Chivas Trading Pvt. Ltd.	10	3,168,216	31,682,160	5.69	3,168,216	31,682,160	5.69
Apple Finance Employees Welfare Trust	10	3,316,680	33,166,800	5.96	3,316,680	33,166,800	5.96

Note : The Company has not allotted any shares during the last five years, preceding March 31, 2016

**NOTE "3" TO BALANCE SHEET AS AT 31ST MARCH 2016**

(₹)

RESERVES AND SURPLUS	Balance as on 31st March 2015	Additions/ Deductions/ Appropriations	Balance as on 31st March 2016
Capital Redemption Reserve	20,000,000	-	20,000,000
Debenture Redemption Reserve	100,000,000	-	100,000,000
General Reserve	400,000,000	-	400,000,000
Surplus at the beginning of the year	(1,320,682,827)	-	-
Add: Profit after tax for the year	-	8,049,321	-
Surplus at the end of the year			(1,312,633,506)
Capital Reserve	6,933,420	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,184	-	427,026,184
Reserve Fund under Section 45IC(1) of the Reserve Bank of India Act, 1934	77,000,000	-	77,000,000
Total	(289,723,223)	8,049,321	(281,673,902)

NOTE "4" TO BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

LONG-TERM PROVISIONS	Balance as at 31st March 2015	Additions	Utilizations	Reversals	Balance as at 31st March 2016
Provisions for Non-Performing Assets	69,033,020	-	-	-	69,033,020
Total	69,033,020	-	-	-	69,033,020

NOTE "5" TO BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

TRADE PAYABLES	As at 31st March 2016	As at 31st March 2015
Others	832,884	87,214
Total	832,884	87,214

NOTE "6" TO BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

OTHER CURRENT LIABILITIES	As at 31st March 2016	As at 31st March 2015
Other Payable	313,081	315,193
Duties and Taxes Payable	160,163	82,404
Total	473,244	397,597

NOTE "7" TO BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

SHORT-TERM PROVISIONS	Balance as at 31st March 2015	Additions	Utilizations	Reversals	Balance as at 31st March 2016
Provision for employee benefits	721,119	-	82,788	9,717	628,614
Provision for expenses	8,906,395	8,702,556	8,906,395	-	8,702,556
Total	9,627,514	8,702,556	8,989,183	9,717	9,331,170

APPLE FINANCE LIMITED

NOTE "8" TO BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

FIXED ASSETS	Gross Block as at 1 st April 2015	Additions	Deletions	Gross Block as at 31 st March 2016	Depreciation up to 31 st March 2015	Adjustment as per Schedule II to the Companies Act, 2013 **	Depreciation for the year	Depreciation on deductions	Depreciation up to 31 st March 2016	Impairment losses/reversals	Net Block as at 31 st March 2016
Tangible Assets											
Land											
- Freehold	955,066	-	-	955,066	-	-	-	-	-	-	955,066
Buildings											
- Owned	83,323,642	662,748	-	83,986,390	29,930,230	-	1,408,140	-	31,338,370	-	52,648,020
Plant and Equipment											
- Owned											
Office Equipment	4,047,326	-	-	4,047,326	4,032,286	-	9,520	-	4,041,805	-	5,520
Computers	18,218,498	-	-	18,218,498	18,088,897	-	58,817	-	18,147,714	-	70,784
Electrical Fittings	1,390,185	-	-	1,390,185	1,147,034	-	145,910	-	1,292,944	-	97,241
Furniture and Fixtures	16,418,561	162,252	-	16,580,813	15,496,704	-	555,643	-	16,052,347	-	528,466
Vehicles	2,620,548	-	983,624	1,636,924	1,988,862	-	305,522	983,624	1,310,760	-	326,164
Total	126,973,826	825,000	983,624	126,815,202	70,684,013	-	2,483,551	983,624	72,183,940	-	54,631,262
Previous Year	126,797,376	176,450	-	126,973,826	67,306,407	627,441	2,750,165	-	70,684,013	-	56,289,813

** Refer Item No.5 of Note 19

NOTE "9" TO BALANCE SHEET AS AT 31ST MARCH 2016

NON-CURRENT INVESTMENTS	No. of Securities	Face Value (₹)	As at 31 st March 2016 (₹)	As at 31 st March 2015 (₹)
Trade Investments				
(Fully paid unless otherwise stated)				
Quoted Investments - Equity Shares (At cost)				
Ambika Cotton Mills Limited	180,233	10	8,651,200	8,651,200
Anjani Solvents India Limited	74,853	10	748,530	748,530
Anod Plasma Spray Limited	75,000	10	750,000	750,000
Cipla Limited	36,510	2	652,302	652,302
Indian Lead Limited	332,066	10	12,331,200	12,331,200
Inland Printers Limited	33,300	10	1,998,000	1,998,000
Pittie Cements & Industries Limited	118,126	10	12,993,860	12,993,860
Sagar Tourist Resorts Limited	21,342	10	213,420	213,420
Shri Renuga Textiles Limited	40,000	10	6,000,000	6,000,000
Vital Foods Limited	93,900	10	1,032,900	1,032,900
Total (A)			45,371,412	45,371,412
Unquoted Investments - Equity Shares (At cost)				
Aldrich Pharmaceuticals Limited	210,000	10	7,035,000	7,035,000
Spectrum Alkyd & Resins Limited	133,333	10	1,500,000	1,500,000
Vijaya Home Loans Limited	50,000	10	500,000	500,000
Total (B)			9,035,000	9,035,000
Total (A) + (B)			54,406,412	54,406,412



NOTE "9" TO BALANCE SHEET AS AT 31ST MARCH 2016

NON-CURRENT INVESTMENTS	Cost (₹)	Market Value (₹)
Aggregate Value of Quoted Investment		
Equity Shares (Previous Year)	45,371,412 (45,371,412)	163,328,277*** (167,224,105)
Aggregate Value of Unquoted Investment		
Equity Shares (Previous Year)	9,035,000 (9,035,000)	
Total (Previous Year)	54,406,412 (54,406,412)	

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

NOTE "10" TO BALANCE SHEET AS AT 31ST MARCH 2016

INVENTORIES (Valued at cost or market value whichever is less)	As on 31st March 2016			As on 31st March 2015		
	Inventory (₹)	Goods-in- Transit	Final Value (₹)	Inventory (₹)	Goods-in- Transit	Final Value (₹)
Unquoted Equity Shares						
1,41,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	-	24,675,000	24,675,000	-	24,675,000
Total	24,675,000	-	24,675,000	24,675,000	-	24,675,000

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

NOTE "11" TO BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

CASH AND BANK BALANCES	As at 31st March 2016	As at 31st March 2015
Cash and Cash Equivalents		
Cash on hand	21,978	15,252
Balance with Banks	3,255,872	2,332,600
Bank Deposits (less than 3 months maturity)*	159,703,170	20,000,000
	162,981,019	22,347,852
Others		
Bank Deposits (more than 3 months but less than 12 months maturity)	21,839,691	22,775,000
Bank Deposits (more than 12 months maturity)**	20,050,000	150,470,836
	41,889,691	173,245,836
Total	204,870,710	195,593,688

*Out of which ₹ 15,97,03,170 is under lien with Kotak Mahindra Bank Ltd.

** (Previous year ₹ 14,79,20,836)

APPLE FINANCE LIMITED

NOTE "12" TO BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

SHORT-TERM LOANS AND ADVANCES	As on 31 st March 2016				As on 31 st March 2015			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Loans and advances to related parties								
Subsidiary Company								
Apple Asset Management Limited	-	4,902,500	-	4,902,500	-	4,848,500	-	4,848,500
Less: Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
Total	-	4,902,500	-	4,902,500	-	4,848,500	-	4,848,500
Other loans and advances	-	-	-	-	-	-	-	-
Less: Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Grand Total	-	4,902,500	-	4,902,500	-	4,848,500	-	4,848,500

NOTE "13" TO BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

OTHER CURRENT ASSETS	As on 31 st March 2016				As on 31 st March 2015			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Interest accrued on Fixed Deposits with Banks	-	2,631,597	-	2,631,597	-	2,489,125	-	2,489,125
Security Deposits	-	416,760	-	416,760	-	416,760	-	416,760
Prepaid Expenses	-	44,022	-	44,022	-	203,760	-	203,760
Other Receivables	-	2,175,000	-	2,175,000	-	2,175,000	-	2,175,000
Advance Income Tax and TDS	-	5,760,412	-	5,760,412	-	4,826,963	-	4,826,963
Sales Tax paid against appeal	-	184,217	-	184,217	-	184,217	-	184,217
Servcice Tax Credit	-	-	-	-	-	14,361	-	14,361
Total	-	11,212,009	-	11,212,009	-	10,310,185	-	10,310,185

NOTE "14" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

REVENUE FROM OPERATIONS	Year ending 31 st March 2016	Year ending 31 st March 2015
Hire-Purchase Income	6,000	9,000
Receipt against debts written off	-	1,000,000
Total	6,000	1,009,000

**NOTE "15" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016**

(₹)

OTHER INCOME	Year ending 31st March 2016	Year ending 31st March 2015
Interest (TDS ₹ 17,14,347; Previous Year ₹ 16,95,850)	17,143,185	16,948,779
Interest on Income Tax Refund	61,873	-
Dividend Income:		
- Others	5,303,777	2,397,933
Profit on sale of Fixed Assets	50,901	-
Miscellaneous Income	163,681	1,707,849
Total	22,723,417	21,054,561

NOTE "16" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

EMPLOYEE BENEFITS EXPENSES	Year ending 31st March 2016	Year ending 31st March 2015
Salaries and wages	3,833,955	3,837,503
Contribution to Provident and other funds	620,537	1,248,825
Staff welfare expenses	264,193	419,550
Total	4,718,685	5,505,878

NOTE "17" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

OTHER EXPENSES	Year ending 31st March 2016	Year ending 31st March 2015
Power and fuel	326,708	359,224
Repairs to machinery	41,384	24,119
Repairs to building	-	250,000
Repairs and Maintenance - Others	34,887	18,097
Insurance	22,850	21,452
Rates and taxes excluding taxes on income	289,304	126,829
Society Charges	873,709	874,184
Legal and Professional fees	1,077,992	845,292
ROC Filing Fees	11,016	46,398
Claim against Financing Assets	-	350,000
Printing and Stationery	40,116	46,559
Telephone and Fax Expense	150,439	198,023
Courier Expenses	7,156	24,785
Security and Service Charges	644,451	1,088,422
Travelling Expenses	90,241	591,553
Conveyance	9,356	6,499
Motor Car Expenses	710,278	900,195
AGM Expenses	1,436,720	2,318,362
Registrar, Share and Debenture Expenses	1,062,211	946,095
Directors' Sitting Fees	18,000	15,000
Membership and Subscription	2,625	1,625
Bank Charges	115	67
Books and Periodicals	9,213	19,026
Miscellaneous Expenses	17,864	19,147
Payments to the Auditors		
(a) as Auditors	400,750	393,260

APPLE FINANCE LIMITED

NOTE "17" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

OTHER EXPENSES	Year ending 31 st March 2016	Year ending 31 st March 2015
(b) for Tax Audit	114,500	112,360
(c) for Limited Review Audit	85,625	84,270
Total	7,477,510	9,680,843

NOTE "18" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

EARNING PER SHARE		Year ending 31 st March 2016	Year ending 31 st March 2015
(a)	Net Profit after tax attributable to Equity Shareholders for Basic EPS	8,049,321	4,124,791
	Add/Less: Adjustment relating to potential equity shares	-	-
		8,049,321	4,124,791
(b)	Weighted average number of equity shares outstanding during the year		
	For Basic Earning Per Share	55,673,122	55,673,122
	For Diluted Earning Per Share	55,673,122	55,673,122
(c)	Basic Earning Per Share	0.14	0.07
	Diluted Earning Per Share	0.14	0.07
	Face Value Per Equity Share	10	10
(d)	Reconciliation between number of shares used for calculating basic and diluted earning per share		
	Particulars:		
	No. of shares used for calculating basic earning per share	55,673,122	55,673,122
	Add: Potential equity shares	-	-
	No. of shares used for calculating diluted earning per share	55,673,122	55,673,122

NOTE "19" - NOTES TO ACCOUNTS

Notes forming part of the Accounts for the year ended 31st March 2016

	As at 31 st March 2016 (₹)	As at 31 st March 2015 (₹)
(1) As the business was unviable, the Company surrendered its Certificate of Registration of Non-Banking Financial Institution to Reserve Bank of India. Reserve Bank of India has cancelled the said Certificate of Registration vide their letter No. DNBS. MRO.No.4716 & 4869 / 02.01.60.Apple / 2003-04 dated January 13, 2004 and January 18, 2004. In view of this, in terms of Section 45-IA of the RBI Act, 1934, now the Company is not entitled to carry on the business of Non-Banking Financial Institution. However, the Company can in future carry on the business of Non-Banking Financial Institution after taking necessary approval from Reserve Bank of India. The Company does have business income from Interest, etc. and also have Stock-in-Trade for business and hence, accounts have been prepared on the Going Concern Basis and Historical Cost Method.		
(2) Contingent Liabilities in respect of:		
In the matter of assignment of the Company's rights, title and interest arising out of the Agreement to Lease dated April 3, 1995 made between the Company and MMRDA and the lease of the land and the building constructed thereon, pursuant to the Consent Terms entered into by the Company with Kotak Mahindra Bank Limited and another in Suit No.162 of 2002 before the Bombay High Court, ₹ 10 crore have been retained by Kotak Mahindra Bank Limited under a lien marked Fixed Deposit of the said Bank, for meeting any contingent liability that may arise in future. The Company's liability, however, shall in any event not exceed ₹ 10 crore in terms of Clause 4 of the Agreement between the Company as the Borrower and Apple Credit Corporation Limited, Just Software Private Limited and Seismograph Securities Private Limited (all Confirming Parties) and Kotak Mahindra Bank Limited as Lender and Kotak Mahindra Prime Limited as Confirming Party in the Indenture dated March 30, 2009.	100,000,000	100,000,000

- (3) The Company has been advised that it does not have taxable income 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:

	As at 31 st March 2016 (₹)	As at 31 st March 2015 (₹)
	For the year ended 31st March 2016 (₹)	For the year ended 31st March 2015 (₹)
Salaries and contribution to the Provident and other funds	2,555,525	2,326,864
Perquisites*	155,600	132,606
Total	2,711,125	2,459,470

* Value of perquisites is determined as per the Income-tax Rules, 1962.

- (b) Since no commission is paid/payable to any Director, the computation of profits under Section 198 of the Companies Act, 2013 has not been made.
- (6) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.
- (7) There are no separate reportable segments.
- (8) Demat Account holding statement as on 31.3.2016 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 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
(i) Directors/Key Management Personnel : Remuneration Mr. Mahesh K. Rachh, Managing Director	2,711,125	2,459,470
(ii) Director and their relatives - Professional Fees Mrs. Anita Menon: Director's spouse	120,000	120,000
iii) Director Sitting fees Mr. Mahesh Menon, Director	6,000	6,000
Mr. Mahendra Shah, Director	6,000	6,000
Mrs. Jacqueline Patel, Director	6,000	3,000
iv) Loans and advances Apple Asset Management Limited - Subsidiary Company [Maximum amount outstanding during the year ₹ 49,02,500 (Previous Year - ₹ 48,48,500)]	4,902,500	4,848,500

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 ₹ 16,84,51,676. 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 st March 2016 (₹)	As at 31 st March 2015 (₹)
Deferred Tax Asset:		
(1) Provision for Non-Performing Assets and Diminution in the value of Investments	22,397,763	22,397,763
(2) Carry forward losses (including Unabsorbed Depreciation)	151,918,030	162,807,968
(3) Depreciation	(16,125,506)	(16,754,055)
Deferred Tax Asset (net)	<u>158,190,287</u>	<u>168,451,676</u>

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

Particulars

	As at 31 st March 2016 (₹)	As at 31 st March 2015 (₹)
Unquoted		
141,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	24,675,000
	<u>24,675,000</u>	<u>24,675,000</u>

- (b) Quantitative Details:-

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



- (12) As per the Accounting Standard 13, Stock-in-Trade (Shares) is required to be recognised at cost or fair value whichever is less, however, the same has not been followed as fair value of the shares are not available because those Company's shares are not quoted in the stock market. Hence, provision for the same has been made.
- (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 "19"

As per our Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants

Firm Regn. No.105770W

Amar Chand Bagrecha

Partner

Membership No.56605

Place: Mumbai

Dated: May 30, 2016

On behalf of the Board

Mahesh K. Rachh

Managing Director

Mahesh Menon

Director

Mahendra S. Shah

Director

Jacqueline Patel

Director

P. B. Deshpande

Company Secretary

APPLE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of

Apple Finance Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Apple Finance Limited ("the Holding Company"), and its subsidiary (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial

opinion on the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date, subject to:

- a) **Point No.1 of Note 18 regarding going concern assumption of the Company.**
- b) **Point No.10 of Note 18 regarding non-consideration of Deferred Tax Assets (Net) amounting to Rs.158,190,287.**

Other Matter

We did not audit the financial statements of Apple Asset Management Limited (Subsidiary Company), whose financial statements reflect **total assets of Rs.57,73,036 (excluding debit balance of Rs.106,226,964 in the Profit and Loss Statement) as at March 31, 2016 and total Revenue of Rs.Nil and net cash outflows amounting to Rs.7,116** for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of the subsidiary company as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:-
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;



- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the Directors of the Group is disqualified as on March 31, 2016, from being appointed as a Director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary, refer to our separate report in Annexure 'A' ; and
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors on separate financial statements as also the other financial information of subsidiary company, as noted in the "Other Matters" paragraph:-
 - i. The Consolidated Financial Statements have disclosed the impact of pending litigations on its consolidated financial position of the Group in its Consolidated Financial Statements;
 - ii. The Group did not have any long-term contracts including derivative contracts and as such, the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There has not been an occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. Therefore, the question of delay in transferring such sums does not arise.

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

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai

Date: May 30, 2016

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

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

In conjunction with our audit of the consolidated financial statements of the Apple Finance Limited ("the Holding Company") as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company in terms of their report referred to in the "Other

APPLE FINANCE LIMITED

Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matter

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

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

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai

Date: May 30, 2016



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

Particulars	Note	As at 31 st March 2016	As at 31 st March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	556,701,477	556,701,477
(b) Reserves and surplus	3	(387,900,866)	(395,887,576)
		<u>168,800,611</u>	<u>160,813,901</u>
Non-current liabilities			
(a) Long-term provisions	4	222,766,190	222,766,190
		<u>222,766,190</u>	<u>222,766,190</u>
Current liabilities			
(a) Trade payables	5	863,542	114,377
(b) Other current liabilities	6	473,244	397,597
(c) Short-term provisions	7	9,331,170	9,627,514
		<u>10,667,956</u>	<u>10,139,488</u>
Total		<u><u>402,234,757</u></u>	<u><u>393,719,579</u></u>
ASSETS			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		54,631,262	56,289,813
(b) Non-current investments	9	106,821,025	106,821,025
		<u>161,452,287</u>	<u>163,110,838</u>
Current assets			
(a) Inventories	10	24,675,000	24,675,000
(b) Cash and bank balances	11	204,895,462	195,623,555
(c) Other current assets	12	11,212,008	10,310,186
		<u>240,782,470</u>	<u>230,608,741</u>
Total		<u><u>402,234,757</u></u>	<u><u>393,719,579</u></u>
Summary of significant accounting policies	1		
Notes to the financial statements	18		
In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.			

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha

Partner
Membership No.56605

Place: Mumbai

Dated: May 30, 2016

On behalf of the Board

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Mahendra S. Shah
Director

Jacqueline Patel
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(₹)

Particulars	Note	Year ending 31 st March 2016	Year ending 31 st March 2015
I Revenue from operations	13	6,000	1,009,000
II Other income	14	22,723,417	21,054,561
III Total revenue		<u>22,729,417</u>	<u>22,063,561</u>
IV Expenses:			
Employee benefits expense	15	4,718,685	5,505,878
Depreciation and amortization expense	8	2,483,551	2,750,165
Other expenses	16	7,540,121	9,725,516
V Total expenses		<u>14,742,357</u>	<u>17,981,559</u>
VI Profit/(Loss) before exceptional and extraordinary items and tax		7,987,060	4,082,002
VII Exceptional item		-	-
VIII Profit/(Loss) before extraordinary items and tax		7,987,060	4,082,002
IX Extraordinary Items - Prior Period Income		-	-
Extraordinary Items - Prior Period Expenses	16	-	-
X Profit/(Loss) before tax		7,987,060	4,082,002
XI Tax expense:			
(1) Current tax - Wealth Tax		350	1,884
(2) Deferred tax		-	-
XII Profit/(Loss) for the period from continuing operations		<u>7,986,710</u>	<u>4,080,118</u>
XIII Profit/(Loss) from discontinuing operations		-	-
XIV Tax expense of discontinuing operations		-	-
XV Profit/(Loss) from discontinuing operations (after tax)		<u>-</u>	<u>-</u>
XVI Profit/(Loss) for the period		<u><u>7,986,710</u></u>	<u><u>4,080,118</u></u>
XVII Earnings per equity share:	17		
(1) Basic		0.14	0.07
(2) Diluted		0.14	0.07
Summary of significant accounting policies	1		
Notes to the financial statements	18		

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

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha

Partner
Membership No.56605

Place: Mumbai

Dated: May 30, 2016

On behalf of the Board

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Mahendra S. Shah
Director

Jacqueline Patel
Director

P. B. Deshpande
Company Secretary



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

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2015
(₹)		
A. Cash flow from operating activities:		
Net profit before extraordinary items	7,986,710	4,080,118
Adjustments for:		
Depreciation	2,483,551	2,750,165
Profit/Loss on Sale of Assets and Investments	(50,901)	-
Investment Income - Dividend/Interest	(22,446,962)	(19,346,712)
	(20,014,311)	(16,596,547)
Operating profit before working capital changes	(12,027,601)	(12,516,430)
Adjustments for:		
Trade payables and other short-term liabilities	528,470	774,316
Loans and Advances (net)	31,627	(1,770,837)
	560,097	(996,521)
Cash generated from operations	(11,467,505)	(13,512,950)
Interest paid	-	-
Direct taxes paid (-)/Refund of Income Tax (+)	(933,450)	(16,245)
	(933,450)	(16,245)
Cash flow before extraordinary items	(12,400,955)	(13,529,195)
Extraordinary items	-	-
Net cash from operating activities	A (12,400,955)	(13,529,195)
B. Cash flow from investing activities:		
Purchase and sale of fixed assets including advances given for work-in-progress	(774,099)	(176,450)
Investment redemption/sold	-	-
Interest received	17,143,185	16,948,779
Dividend received	5,303,777	2,397,933
Net cash used in investing activities	B 21,672,862	19,170,262
C. Cash flow from financing activities		
Proceeds from long-term borrowings (net)	-	-
Net cash used in financing activities	C -	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	9,271,907	5,641,067
Cash and cash equivalents as at the beginning of the year (opening balance)	195,623,555	189,982,488
Cash and cash equivalents as at the end of the year (closing balance)	204,895,462	195,623,555

Notes:

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

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha

Partner
Membership No.56605

Place: Mumbai

Dated: May 30, 2016

On behalf of the Board

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Mahendra S. Shah
Director

Jacqueline Patel
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

NOTE "1" SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1. Accounting Convention and Concepts

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

2. Fixed Assets

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

3. Depreciation

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

4. Investments

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

5. Valuation of Stocks

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

6. Retirement Benefits

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

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

7. Impairment of Assets

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

NOTE "2" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

SHARE CAPITAL	Par Value per share (₹)	Balance Outstanding as at 31 st March 2015		Issued/ (Reductions) during the year		Balance Outstanding as at 31 st March 2016	
		No. of Shares	Value (₹)	No. of Shares	Value (₹)	No. of Shares	Value (₹)
Equity Share Capital							
Authorized	10	75,000,000	750,000,000	-	-	75,000,000	750,000,000
Issued, Subscribed and Paid-up	10	55,673,122	556,731,220	-	-	55,673,122	556,731,220
Less: Calls in arrears by others		-	29,743	-	-	-	29,743
	10	55,673,122	556,701,477	-	-	55,673,122	556,701,477
Preference Share Capital							
Authorized	100	7,500,000	750,000,000	-	-	7,500,000	750,000,000
Issued, Subscribed and Paid-up	100	-	-	-	-	-	-

	Par Value per share (₹)	No. of Shares	Value (₹)	Holding (%)	No. of Shares	Value (₹)	Holding (%)
		31/03/2015	31/03/2015	31/03/2015	31/03/2016	31/03/2016	31/03/2016
Share held by Holding Company							
Not Applicable							
Holding more than 5%							
Honcho Trading Private Limited	10	10,583,380	105,833,800	19.01	10,583,380	105,833,800	19.01
Chivas Trading Pvt. Ltd.	10	3,168,216	31,682,160	5.69	3,168,216	31,682,160	5.69
Apple Finance Employees Welfare Trust	10	3,316,680	33,166,800	5.96	3,316,680	33,166,800	5.96

Note: The Company has not allotted any shares during the last five years, preceding March 31, 2016

**NOTE "3" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016**

(₹)

RESERVES AND SURPLUS	Balance as on 31st March 2015	Additions/ Deductions/ Appropriations	Balance as on 31st March 2016
Capital Redemption Reserve	20,000,000	-	20,000,000
Debenture Redemption Reserve	100,000,000	-	100,000,000
General Reserve	400,000,000	-	400,000,000
Surplus at the beginning of the year	(1,426,847,180)		
Add: Profit after tax for the year		7,986,710	
Surplus at the end of the year			(1,418,860,470)
Capital Reserve	6,933,420	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,184	-	427,026,184
Reserve Fund under Section 45IC(1) of the Reserve Bank of India Act, 1934	77,000,000	-	77,000,000
Total	(395,887,576)	7,986,710	(387,900,866)

NOTE "4" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

LONG-TERM PROVISIONS	Balance as at 31st March 2015	Additions	Utilizations	Reversals	Balance as at 31st March 2016
Provisions for Non-Performing Assets ***	222,766,190	-	-	-	222,766,190
Total	222,766,190	-	-	-	222,766,190

*** Includes ₹ 11,20,00,000 on account of the Company's Investment in Apple Asset Management Ltd., which has been written off in the books of the Company.

NOTE "5" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

TRADE PAYABLES	As at 31st March 2016	As at 31st March 2015
Others	863,542	114,377
Total	863,542	114,377

NOTE "6" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

OTHER CURRENT LIABILITIES	As at 31st March 2016	As at 31st March 2015
Other Payable	313,081	315,193
Duties and Taxes Payable	160,163	82,404
Total	473,244	397,597

NOTE "7" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

SHORT-TERM PROVISIONS	Balance as at 31st March 2015	Additions	Utilizations	Reversals	Balance as at 31st March 2016
Provision for employee benefits	721,119	-	82,788	9,717	628,614
Provision for expenses	8,906,395	8,702,556	8,906,395	-	8,702,556
Total	9,627,514	8,702,556	8,989,183	9,717	9,331,170

APPLE FINANCE LIMITED

NOTE "8" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

FIXED ASSETS	Gross Block as at 1 st April 2015	Additions	Deletions	Gross Block as at 31 st March 2016	Depreciation up to 31 st March 2015	Adjustment as per Schedule II to the Companies Act, 2013 **	Depreciation for the year	Depreciation on deductions	Depreciation up to 31 st March 2016	Impairment losses/ reversals	Net Block as at 31 st March 2016
Tangible Assets											
Land											
- Freehold	955,066	-	-	955,066	-	-	-	-	-	-	955,066
Buildings											
- Owned	83,323,642	662,748	-	83,986,390	29,930,230	-	1,408,140	-	31,338,370	-	52,648,020
Plant and Equipment											
- Owned											
Office Equipment	4,047,326	-	-	4,047,326	4,032,286	-	9,520	-	4,041,805	-	5,520
Computers	18,218,498	-	-	18,218,498	18,088,897	-	58,817	-	18,147,714	-	70,784
Electrical Fittings	1,390,185	-	-	1,390,185	1,147,034	-	145,910	-	1,292,944	-	97,241
Furniture and Fixtures	16,418,561	162,252	-	16,580,813	15,496,704	-	555,643	-	16,052,347	-	528,466
Vehicles	2,620,548	-	983,624	1,636,924	1,988,862	-	305,522	983,624	1,310,760	-	326,164
Total	126,973,826	825,000	983,624	126,815,202	70,684,013	-	2,483,551	983,624	72,183,940	-	54,631,262
Previous Year	126,797,376	176,450	-	126,973,826	67,306,407	627,441	2,750,165	-	70,684,013	-	56,289,813

** Refer Item No.5 of Note 18

NOTE "9" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

NON-CURRENT INVESTMENTS	No. of Securities	Face Value (₹)	As at 31 st March 2016 (₹)	As at 31 st March 2015 (₹)
Trade Investments (Fully paid unless otherwise stated)				
Quoted Investments - Equity Shares (At cost)				
Ambika Cotton Mills Limited	180,233	10	8,651,200	8,651,200
Anjani Solvents India Limited	74,853	10	748,530	748,530
Anod Plasma Spray Limited	75,000	10	750,000	750,000
Cipla Limited	36,510	2	652,302	652,302
Indian Lead Limited	332,066	10	12,331,200	12,331,200
Inland Printers Limited	33,300	10	1,998,000	1,998,000
Pittie Cements & Industries Limited	118,126	10	12,993,860	12,993,860
Sagar Tourist Resorts Limited	21,342	10	213,420	213,420
Vedanta Limited (Formerly Sesa Sterlite Limited)	5,800	1	51,023	51,023
Shri Renuga Textiles Limited	40,000	10	6,000,000	6,000,000
Vital Foods Limited	93,900	10	1,032,900	1,032,900
Total (A)			45,422,435	45,422,435
Unquoted Investments - Equity Shares (At cost)				
Aldrich Pharmaceuticals Limited	210,000	10	7,035,000	7,035,000
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 Ltd.	145,000	10	24,539,919	24,539,919
Spectrum Alkyd & Resins Limited	133,333	10	1,500,000	1,500,000
Union Motor Services Limited	366,667	10	8,806,560	8,806,560
Vijaya Home Loans Limited	50,000	10	500,000	500,000
Total (B)			55,548,590	55,548,590
Unquoted Investments - Debentures (At cost)				
18% Unsecured Redeemable Non-Convertible Debenture of Century Wood Limited	40000	100	5,850,000	5,850,000
Total (C)			5,850,000	5,850,000
Total (A) + (B) + (C)			106,821,025	106,821,025



	Cost (₹)	Market Value (₹)
Aggregate Value of Quoted Investment		
Equity Shares (Previous Year)	45,422,435 (45,422,435)	163,849,407*** (168,323,205)
Aggregate Value of Unquoted Investment		
Equity Shares (Previous Year)	55,548,590 (55,548,590)	
Total	100,971,025	
(Previous Year)	(100,971,025)	

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

NOTE "10" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

INVENTORIES (Valued at cost or market value whichever is less)	As on 31 st March 2016			As on 31 st March 2015		
	Inventory (₹)	Goods-in-Transit	Final Value (₹)	Inventory (₹)	Goods-in-Transit	Final Value (₹)
Unquoted Equity Shares						
1,41,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	-	24,675,000	24,675,000	-	24,675,000
Total	24,675,000	-	24,675,000	24,675,000	-	24,675,000

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

NOTE "11" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

CASH AND BANK BALANCES	As at 31 st March 2016	As at 31 st March 2015
Cash and Cash Equivalents		
Cash on hand	32,357	25,631
Balance with Banks	3,270,244	2,352,088
Bank Deposits (less than 3 months maturity)*	159,703,170	20,000,000
	163,005,771	22,377,719
Others		
Bank Deposits (more than 3 months but less than 12 months maturity)	21,839,691	22,775,000
Bank Deposits (more than 12 months maturity)**	20,050,000	150,470,836
	41,889,691	173,245,836
Total	204,895,462	195,623,555

*Out of which ₹ 15,97,03,170 is under lien with Kotak Mahindra Bank Ltd.

** (Previous year ₹ 14,79,20,836)

NOTE "12" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹)

OTHER CURRENT ASSETS	As on 31 st March 2016				As on 31 st March 2015			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Interest accrued on Fixed Deposits with Banks	-	2,631,597	-	2,631,597	-	2,489,125	-	2,489,125
Security Deposits	-	416,760	-	416,760	-	416,760	-	416,760
Prepaid Expenses	-	44,022	-	44,022	-	203,760	-	203,760
Other Receivables	-	2,175,000	-	2,175,000	-	2,175,000	-	2,175,000
Advance Income Tax and TDS	-	5,760,412	-	5,760,412	-	4,826,963	-	4,826,963
Sales Tax paid against appeal	-	184,217	-	184,217	-	184,217	-	184,217
Service Tax Credit	-	-	-	-	-	14,361	-	14,361
Total	-	11,212,008	-	11,212,008	-	10,310,186	-	10,310,186

APPLE FINANCE LIMITED

NOTE "13" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

REVENUE FROM OPERATIONS	Year ending 31 st March 2016	Year ending 31 st March 2015
Hire-Purchase Income	6,000	9,000
Receipt against debts written off	-	1,000,000
Total	6,000	1,009,000

NOTE "14" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

OTHER INCOME	Year ending 31 st March 2016	Year ending 31 st March 2015
Interest (TDS ₹ 17,14,347; Previous Year ₹ 16,95,850)	17,143,185	16,948,779
Interest on Income Tax Refund	61,873	-
Dividend Income: - Others	5,303,777	2,397,933
Profit on sale of Fixed Assets	50,901	-
Miscellaneous Income	163,681	1,707,849
Total	22,723,417	21,054,561

NOTE "15" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

EMPLOYEE BENEFITS EXPENSES	Year ending 31 st March 2016	Year ending 31 st March 2015
Salaries and wages	3,833,955	3,837,503
Contribution to Provident and other funds	620,537	1,248,825
Staff welfare expenses	264,193	419,550
Total	4,718,685	5,505,878

NOTE "16" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

OTHER EXPENSES	Year ending 31 st March 2016	Year ending 31 st March 2015
Power and fuel	326,708	359,224
Repairs to machinery	41,384	24,119
Repairs to building	-	250,000
Repairs and Maintenance - Others	34,887	18,097
Insurance	22,850	21,452
Rates and taxes excluding taxes on income	289,304	126,829
Society Charges	873,709	874,184
Legal and Professional fees	1,117,560	865,893
ROC Filing Fees	13,464	56,790
Claim against Financing Assets	-	350,000
Printing and Stationery	40,116	46,559
Telephone and Fax Expense	150,439	198,023
Courier Expenses	7,156	24,785
Security and Service Charges	644,451	1,088,422
Travelling Expenses	90,241	591,553
Conveyance	9,356	6,499
Motor Car Expenses	710,278	900,195
AGM Expenses	1,436,720	2,318,362
Registrar, Share and Debenture Expenses	1,062,211	946,095
Directors' Sitting Fees	18,000	15,000
Membership and Subscription	2,625	1,625
Bank Charges	115	67
Books and Periodicals	9,213	19,026
Miscellaneous Expenses	17,864	19,147
Payments to the Auditors		
(a) as Auditors	421,345	406,940
(b) for Tax Audit	114,500	112,360
(c) for Limited Review Audit	85,625	84,270
Total	7,540,121	9,725,516



NOTE "17" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

(₹)

EARNING PER SHARE		Year ending 31st March 2016	Year ending 31st March 2015
(a)	Net Profit after tax attributable to Equity Shareholders for Basic EPS	7,986,710	4,080,118
	Add/Less: Adjustment relating to potential equity shares	-	-
		7,986,710	4,080,118
(b)	Weighted average number of equity shares outstanding during the year		
	For Basic Earning Per Share	55,673,122	55,673,122
	For Diluted Earning Per Share	55,673,122	55,673,122
(c)	Basic Earning Per Share	0.14	0.07
	Diluted Earning Per Share	0.14	0.07
	Face Value Per Equity Share	10	10
(d)	Reconciliation between number of shares used for calculating basic and diluted earning per share		
	Particulars:		
	No. of shares used for calculating basic earning per share	55,673,122	55,673,122
	Add: Potential equity shares	-	-
	No. of shares used for calculating diluted earning per share	55,673,122	55,673,122

NOTE "18" - NOTES TO CONSOLIDATED ACCOUNTS

Notes forming part of the Accounts for the year ended 31st March, 2016

	As at 31st March 2016 (₹)	As at 31st March 2015 (₹)
(1) As the business was unviable, the Company surrendered its Certificate of Registration of Non-Banking Financial Institution to Reserve Bank of India. Reserve Bank of India has cancelled the said Certificate of Registration vide their letter No. DNBS. MRO.No.4716 & 4869 / 02.01.60.Apple / 2003-04 dated January 13, 2004 and January 18, 2004. In view of this, in terms of Section 45-IA of the RBI Act, 1934, now the Company is not entitled to carry on the business of Non-Banking Financial Institution. However, the Company can in future carry on the business of Non-Banking Financial Institution after taking necessary approval from Reserve Bank of India. The Company does have business income from Interest, etc. and also have Stock-in-Trade for business and hence, accounts have been prepared on the Going Concern Basis and Historical Cost Method.		
(2) Contingent Liabilities in respect of: In the matter of assignment of the Company's rights, title and interest arising out of the Agreement to Lease dated April 3, 1995 made between the Company and MMRDA and the lease of the land and the building constructed thereon, pursuant to the Consent Terms entered into by the Company with Kotak Mahindra Bank Limited and another in Suit No.162 of 2002 before the Bombay High Court, ₹ 10 crore have been retained by Kotak Mahindra Bank Limited under a lien marked Fixed Deposit of the said Bank, for meeting any contingent liability that may arise in future. The Company's liability, however, shall in any event not exceed ₹ 10 crore in terms of Clause 4 of the Agreement between the Company as the Borrower and Apple Credit Corporation Limited, Just Software Private Limited and Seismograph Securities Private Limited (all Confirming Parties) and Kotak Mahindra Bank Limited as Lender and Kotak Mahindra Prime Limited as Confirming Party in the Indenture dated March 30, 2009.	100,000,000	100,000,000
(3) The Company has been advised that it does not have taxable income 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.		

APPLE FINANCE LIMITED

(5) Remuneration to Directors:

(a) Remuneration paid to the Managing Director:

	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Salaries and contribution to the Provident and other funds	2,555,525	2,326,864
Perquisites*	155,600	132,606
Total	2,711,125	2,459,470

* Value of perquisites is determined as per the Income-tax Rules, 1962.

(b) Since no commission is paid/payable to any Director, the computation of profits under Section 198 of the Companies Act, 2013 has not been made.

(6) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.

(7) There are no separate reportable segments.

(8) Demat Account holding statement as on 31.3.2016 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 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
(i) Directors / Key Management Personnel : Remuneration Mr. Mahesh K. Rachh, Managing Director	2,711,125	2,459,470
(ii) Director and their relatives - Professional Fees Mrs. Anita Menon: Director's spouse	120,000	120,000
iii) Director Sitting fees Mr. Mahesh Menon, Director	6,000	6,000
Mr. Mahendra Shah, Director	6,000	6,000
Mrs. Jacqueline Patel, Director	6,000	3,000
iv) Loans and advances Apple Asset Management Limited - Subsidiary Company [Maximum amount outstanding during the year ₹ 49,02,500 (Previous Year - ₹ 48,48,500)]	4,902,500	4,848,500

(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 ₹ 16,84,51,676. 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 st March 2016 (₹)	As at 31 st March 2015 (₹)
Deferred Tax Asset:		
(1) Provision for Non-Performing Assets and Diminution in the value of Investments	22,397,763	22,397,763
(2) Carry forward losses (including Unabsorbed Depreciation)	151,918,030	162,807,968
(3) Depreciation	(16,125,506)	(16,754,055)
Deferred Tax Asset (net)	158,190,287	168,451,676



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

Particulars

	As at 31st March 2016 (₹)	As at 31st March 2015 (₹)
Unquoted		
141,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	24,675,000
	<u>24,675,000</u>	<u>24,675,000</u>

(b) Quantitative Details:-

(i) Opening Stock

Quantity (Nos.)

141,000

141,000

Value (₹)

24,675,000

24,675,000

(ii) Purchases/Received against Claims/Acquisition on Merger/Bonus

Quantity (Nos.)

-

-

Value (₹)

-

-

(iii) Sales/Reduction on Merger

Quantity (Nos.)

-

-

Value (₹)

-

-

(iv) Closing Stock

Quantity (Nos.)

141,000

141,000

Value (₹)

24,675,000

24,675,000

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

(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 "18"

As per our Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants

Firm Regn. No.105770W

Amar Chand Bagrecha

Partner

Membership No.56605

Place: Mumbai

Dated: May 30, 2016

On behalf of the Board

Mahesh K. Rachh

Managing Director

Mahesh Menon

Director

Mahendra S. Shah

Director

Jacqueline Patel

Director

P. B. Deshpande

Company Secretary

**ATTENDANCE SLIP
APPLE FINANCE LIMITED**

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

30th Annual General Meeting – September 23, 2016

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

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

Number of shares held

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

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

I hereby record my presence at the 30th Annual General Meeting of the Company at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 on Friday, September 23, 2016 at 3.30 p.m.

Name of the Member/proxy
(in BLOCK letters)

Signature of the Member/proxy

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

PROXY FORM

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

APPLE FINANCE LIMITED

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

30th Annual General Meeting – September 23, 2016

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Friday, September 23, 2016 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution	
Ordinary Business	
1.	Adoption of financial statement of the Company, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2016.
2.	Appoint a Director in place of Mr. Mahesh K. Rachh who retires by rotation and being eligible, seeks re-appointment.
3.	Appoint Messrs Mahendra Kumbhat & Associates, Chartered Accountants, as the Auditors of the Company.
Special Business	
4.	Reappoint Mr. Mahesh K. Rachh as the Managing Director of the Company for a period of two years effective August 9, 2016.
5.	Keeping the Registers and Indices of Members and Debentureholders etc. at the office of the Company's Registrar & Transfer Agent.
6.	Charge a Member in advance for service of documents through a particular mode.

Signed this day of 2016

Affix
Revenue
stamp

Signature of the shareholder

Signature of the proxy holder(s)

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

IF UNDELIVERED, PLEASE RETURN TO:

Bigshare Services Private Limited
Unit: Apple Finance Limited

E-2/3 Ansa Industrial Estate, Saki Vihar Road, Saki Naka
Andheri (East), Mumbai 400 072 (India)