



**APPLE FINANCE LIMITED**

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

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## REGISTERED OFFICE

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

## BOARD OF DIRECTORS

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

## AUDITORS

Messrs Mahendra Kumbhat & Associates  
Chartered Accountants

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

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

## REGISTRAR & TRANSFER AGENTS

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

# APPLE FINANCE LIMITED

## NOTICE

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

### ORDINARY BUSINESS

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

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

### SPECIAL BUSINESS

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

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

## NOTES:

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

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

11. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility. The Company's Registrar & Transfer Agents on request will supply nomination forms. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrar & Transfer Agent, Bigshare Services Private Limited, for consolidation into a single folio.
13. The Notice of the Meeting along with the 31<sup>st</sup> Annual Report for the financial year 2016-2017 is being sent by electronic mode to all the Members whose email addresses are registered with the Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses with the Depositories, physical copies are being sent by the permitted modes. The Notice of the Meeting has also been posted on the Company's website [www.applefinance.co.in](http://www.applefinance.co.in)
14. The process and manner for Members opting for voting through electronic means:-
  - (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-Voting platform of Central Depository Services (India) Limited ("CDSL") ("remote e-Voting").
  - (ii) The Member whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut Off Date of September 19, 2017 shall be entitled to avail the facility of remote e-Voting as well as voting at the Meeting. Any recipient of the Notice who has no voting rights as on the Cut Off date shall treat this Notice as intimation only.
  - (iii) A person who has acquired the shares and has become Member of the Company after the despatch of the Notice of the Meeting and prior to the Cut Off date i.e. Tuesday, September 19, 2017, shall be entitled to exercise his votes either electronically through remote e-Voting or through the Poll Paper at the Meeting by following the procedure mentioned in this part.
    - (iv) The remote e-Voting will commence on Saturday, September 23, 2017 at 10.00 a.m. and will end on Monday, September 25, 2017 at 5.00 p.m. During this period, the Members of the Company holding shares either in physical form or in electronic form as on the Cut Off date i.e. Tuesday, September 19, 2017 may cast their vote electronically. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-Voting module shall be disabled for voting by CDSL thereafter.
    - (v) Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast the vote again.
    - (vi) The facility for voting through Poll Paper would be made available at the Meeting and the Members attending the Meeting who have not already cast their votes by remote e-Voting shall be able to exercise their right at the Meeting through Poll Paper. The Members who have already cast their vote by remote e-Voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
    - (vii) The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the Cut Off date of Tuesday, September 19, 2017.
    - (viii) The Company has appointed Mr. Umesh P. Maskeri, Practicing Company Secretary (FCS No.4831, COP No.12704), to act as the Scrutinizer for conducting the remote e-Voting process as well as the voting through Poll Paper at the Meeting in a fair and transparent manner.
    - (ix) The instructions for shareholders voting electronically are as under:-
      - (a) The e-Voting period begins on Saturday, September 23, 2017 (10.00 a.m.) and ends on Monday, September 25, 2017 (5.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut Off date (record date) of Tuesday, September 19, 2017 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
      - (b) The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com)
      - (c) Click on "Shareholders/Members" tab.
      - (d) Now, enter your User ID
        - a. For CDSL: 16 digits beneficiary ID.
        - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
        - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
      - (e) Next, enter the "Image Verification" as displayed and Click on Login.

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- (f) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user, follow the steps given below:-

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (applicable for both electronic shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer Sr. No. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to log in.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the Depository or Company, please enter the member ID/Folio No. in the Dividend Bank details field as mentioned in instruction (d)</li> </ul>

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for Apple Finance Limited on which you choose to vote.
- (l) On the Voting Page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or

NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting Page.
- (q) If demat account holder has forgotten the changed password, then enter the User ID and the "Image Verification Code" and click on Forgot Password and enter the details as prompted by the system.
- (r) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (s) Notes for non-individual Shareholders and Custodians:-
- Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and signature of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts, they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (t) In case you have any queries or issues regarding remote e-Voting, you may refer the Frequently



Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under Help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (u) In case of any query or grievance relating to e-Voting, Members may contact the Company Secretary at the Company's Registered Office or by email to [info@applefinance.co.in](mailto:info@applefinance.co.in)
- (x) The Chairman shall, at the Meeting, at the end of the discussion on the resolutions on which voting is to be held, allow voting, with the assistance of the Scrutinizer, by use of Poll Paper for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-Voting facility.
- (xi) The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter

unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall not later than three days of conclusion of the Meeting, issue a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

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

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

#### **Item No.3**

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

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

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

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

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

#### **Item No.4**

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

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

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

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

#### **By Order of the Board of Directors**

**P. B. Deshpande**  
Company Secretary

Mumbai, May 30, 2017

#### *Registered Office:*

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

# APPLE FINANCE LIMITED

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## Exhibit to the Notice

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

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





## DIRECTORS' REPORT

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

### FINANCIAL HIGHLIGHTS

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

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

### AMOUNTS CARRIED TO RESERVES

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

### STATE OF AFFAIRS, MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

### SUBSIDIARY

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

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

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

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

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

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

### EXTRACT OF ANNUAL RETURN

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

### NUMBER OF MEETINGS OF THE BOARD

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

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



# APPLE FINANCE LIMITED

## INTERNAL FINANCIAL CONTROLS

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

## DECLARATION BY INDEPENDENT DIRECTORS

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

## AUDITORS

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

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

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

## AUDITORS' REPORT

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

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

## AUDIT COMMITTEE

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

## SECRETARIAL AUDIT

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

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

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

## LOANS, GUARANTEES AND INVESTMENTS

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

## CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

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

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

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

## MATERIAL CHANGES AND COMMITMENTS

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

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

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

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

## RISK MANAGEMENT POLICY

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



## **CORPORATE SOCIAL RESPONSIBILITY**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

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

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

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

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

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

## **BOARD EVALUATION**

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

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

## **VIGIL MECHANISM**

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

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

## **PARTICULARS OF EMPLOYEES**

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

## **SHARE CAPITAL**

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

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

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

## **DEPOSITS**

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

## **CORPORATE GOVERNANCE**

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

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

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

## **LISTING WITH STOCK EXCHANGE**

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