



APPLE FINANCE LIMITED

28TH ANNUAL REPORT 2013-2014

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REGISTERED OFFICE

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130 Mumbai Samachar Marg
Mumbai 400 023
CIN: L65910MH1985PLC037767
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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)

AUDITORS

Messrs Mahendra Kumbhat & Associates
Chartered Accountants

28TH ANNUAL GENERAL MEETING

On Thursday, September 25, 2014
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

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
Phone: 6772 0400
Fax: 2859 1568
Email: sharepro@shareproservices.com

APPLE FINANCE LIMITED

NOTICE

NOTICE is hereby given that the twenty-eighth Annual General Meeting of the Members of Apple Finance Limited will be held on Thursday, September 25, 2014 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, 2014, 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, 2014.
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 M/s. Mahendra Kumbhat & Associates, Chartered Accountants (ICAI Regn. No.105770W), be and are hereby reappointed as Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and such other applicable provisions, if any, of the said Act and/or rules framed thereunder 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 and 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, 2014, 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.

RESOLVED FURTHER 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 an Ordinary Resolution, the following:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mahendra S. Shah (DIN:01857960), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company."

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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Jacqueline Patel (DIN:06955747) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company."

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

"RESOLVED THAT in supersession of the resolution adopted at the 8th Annual General Meeting of the Company held on December 5, 1994 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors ("the Board") to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹2,000 crore (Rupees two thousand crore) over and above the aggregate of the paid-up share capital and free reserves of the Company.

AND THAT the Board be and is hereby authorized to do such other acts and deeds as may be necessary for giving effect to this resolution."

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

"RESOLVED THAT pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby



accorded to the Board of Directors including any Committee thereof ("the Board") to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of the Company's paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more as the Board may think fit, provided that the total investments made shall not at any time exceed ₹500 crore (Rupees five hundred crore) over and above Company's paid-up share capital, free reserves and securities premium account.

AND THAT the Board be and is hereby authorized to take all such actions and give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

9. 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 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of 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."

By Order of the Board of Directors

P. B. Deshpande
Company Secretary

Mumbai, August 13, 2014
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

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 should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of Members not exceeding 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. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed/reappointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with BSE Limited, 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. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 18, 2014 to Thursday, September 25, 2014 (both days inclusive).
9. Members holding shares in physical form are requested to notify the change, if any, in their address to the Registrar and Transfer Agents of the Company at the following address: Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.
10. The Company has transferred all the unclaimed amounts of dividends as well as public deposits and interest thereon to the Investor Education and Protection Fund ("IEPF") of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956. No claim shall lie against the IEPF or the Company for the amounts so transferred

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nor shall any payment be made in respect of such claim.

11. Securities and 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/ Sharepro Services (India) Pvt. Ltd.
12. 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 and 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.
13. 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 Sharepro Services (India) Pvt. Ltd., for consolidation into a single folio.
14. The Notice of the Meeting along with the 28th Annual Report for the financial year 2013-2014 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 is also posted on the website of the Company www.applefinance.co.in.
15. To support the Green Initiative, Members who have not registered their email addresses with the Depositories are requested to register the same. In case of any change in the email address registered with the Depository, Members are requested to update the same through their Depository Participant.
16. The business as set out in the Notice may be transacted through electronic voting system and the Company has provided a facility for voting by electronic means. In compliance with Clause 35B of the Listing Agreement and in accordance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, through the e-voting platform of Central Depository Services (India) Limited ("CDSL"). The e-voting facility is an alternate, to all the Members to enable them cast their votes electronically instead of casting their vote at the Meeting.

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 14, 2014 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 expired on August 8, 2014, 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.

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

Term – 2 (two) years with effect from August 9, 2014, 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, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with BSE Limited 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 are, 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 Nos.5 and 6

Securities and Exchange Board of India has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr. Mahendra S. Shah and Ms. Jacqueline Patel as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company.

While Mr. Mahendra S. Shah is an Independent Director of the Company and has held the position as such more than 5 (five) years, Ms. Jacqueline Patel is not in any way associated with the Company.

Mr. Mahendra S. Shah and Ms. Jacqueline Patel are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from Members along with the deposit of requisite amount under Section 160 of the Act, proposing the candidatures of each of Mr. Mahendra S. Shah and Ms. Jacqueline Patel for the office of Directors of the Company.

The Company has also received declarations from Mr. Mahendra S. Shah and Ms. Jacqueline Patel that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Mahendra S. Shah and Ms. Jacqueline Patel fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Mahendra S. Shah and Ms. Jacqueline Patel are independent of the management. The Board is also of the opinion that the association of Mr. Mahendra S. Shah and Ms. Jacqueline Patel will be beneficial to the Company.

Brief resume of Mr. Mahendra S. Shah and Ms. Jacqueline Patel, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with BSE Limited, are provided in the Exhibit to the Notice.

Copy of the draft letters for respective appointments of Mr. Mahendra S. Shah and Ms. Jacqueline Patel as Independent Directors, setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with BSE Limited.

Mr. Mahendra S. Shah and Ms. Jacqueline Patel are interested in the resolutions set out respectively at Item Nos.5 and 6 of the Notice with regard to their respective appointments.

The relatives of Mr. Mahendra S. Shah and Ms. Jacqueline Patel may be deemed to be interested in the resolutions set out respectively at Item Nos.5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos.5 and 6 of the Notice for approval by the shareholders.

Item No.7

The Members of the Company at their 8th Annual General Meeting held on December 5, 1994 had approved by way of a resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with amount already borrowed and outstanding at any point of time shall not be in excess of ₹2,000 crore (Rupees two thousand crore).

Section 180(1)(c) of the Act requires that the Board of Directors shall not borrow money in excess of the company's paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary that the Members pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Act, as set out at Item No.7 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the Members is being sought to borrow money up to ₹2,000 crore (Rupees two thousand crore) in excess of the aggregate of the paid-up share capital and free reserves of the Company.

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

The Board commends the Special Resolution set out at Item No.7 of the Notice for approval by the shareholders.

Item No.8

The Members of the Company at their 9th Annual General Meeting held on December 30, 1995 had approved by way of a resolution under Section 372 of the Companies Act, 1956 to make investments in one or more bodies corporate up to the sum of ₹500 crore (Rupees five hundred crore) at any one time.

As per the provisions of Section 186 of the Act, no company shall directly or indirectly acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Where the acquisition exceeds the limits specified in Section 186 of the Act, prior approval by means of a special resolution passed at a general meeting is necessary.

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

The Board commends the Special Resolution set out at Item No.8 of the Notice for approval by the shareholders.

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Item No.9

The Articles of Association ("AOA") of the Company as presently in force were adopted when the Company was incorporated in the year 1985. The existing AOA are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

With the notifications dated September 12, 2013 and March 26, 2014 issued by the Ministry of Corporate Affairs, Government of India, substantive sections of the Act which deal with the general working of the companies stand notified.

With the Act coming into force, several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a complete new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AOA is available for inspection by Members at the Registered Office of the Company.

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

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the shareholders.

EXHIBIT TO THE NOTICE

Brief Resume of the Directors Seeking Appointment/
Reappointment as Directors
at the 28th Annual General Meeting
(As on March 31, 2014)

Particulars	Mahesh K. Rachh	Mahendra S. Shah	Jacqueline Patel
Date of Birth	30.10.1956	26.05.1958	06.08.1964
Date of Appointment	09.08.2001	29.06.2007	Not applicable
Qualifications	B.A., LL.B.	B. A.	M. A.
Expertise in specific functional areas	Over 26 years corporate experience in various fields including financial services area	Experience of over 32 years in managing business	Over 25 years experience in Advisory Services
Directorship held in other public companies (excluding foreign and private companies)	Apple Housing Finance Limited	Apple Asset Management Limited	None
Memberships/ Chairmanships of committees of other companies (only Audit and Shareholders' / Investors' Grievance Committee)	None	None	None
Shareholding in the Company	None	None	None

Instructions for Members for voting electronically are as under:-

In case of Members receiving email:-

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next, enter the Image Verification as displayed and click on Login.
- (v) If you are holding shares in electronic 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.
- (vi) If you are a first time user, follow the steps given below:-

	For Members holding shares in Electronic Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 last 8 digits of the demat account/folio number in the PAN field. • In case the Folio Number is less than 8 digits, enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio Number 100 then enter RA00000100 in the PAN field.
Date of Birth	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or Folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or Folio. <ul style="list-style-type: none"> • Please enter the Date of Birth or Dividend Bank Details in order to login. If the details are not recorded with the Depository or the Company, please enter the number of shares held by you as on the Cut Off date in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in electronic 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.



- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Apple Finance Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xvi) 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.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and signature of the entity to helpdesk.evoting@cdslindia.com. After receiving the login details, they have to create a User who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.

In case of Members receiving the physical copy:-

- (a) Please follow all steps from Sr. No.(i) to Sr. No.(xvii) above to cast vote.
- (b) The voting period begins on Thursday, September 18, 2014 (10.00 a.m.) and ends on Saturday, September 20, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in electronic form, as on September 9, 2014 [Cut-Off date] may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Other instructions:-

- Mr. Umesh Maskeri, Practising Company Secretary has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.
- The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Meeting.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.applefinance.co.in and on the website of CDSL on or after September 26, 2014 and also communicated to BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors

P. B. Deshpande
Company Secretary

Mumbai, August 13, 2014

Registered Office:

8 Apeejay House

130 Mumbai Samachar Marg

Mumbai 400 023

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APPLE FINANCE LIMITED

DIRECTORS' REPORT

Your Directors present their twenty-eighth Annual Report on the business and operations of your Company and the audited financial statement for the financial year ended March 31, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial results of your Company for the year ended March 31, 2014 as compared to the previous year are summarized below:-

	₹ Lacs Year ended 31.03.2014	₹ Lacs Year ended 31.03.2013
Gross Income	186.82	150.96
Profit/(Loss) before Depreciation And Taxation	57.08	10.50
Less: Depreciation	19.61	19.79
Profit/(Loss) before Taxation	37.47	(9.29)
Provision for Taxation	0.02	0.04
Net Profit/(Loss) after Taxation	37.45	(9.33)

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.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with Accounting Standard 21, the audited Consolidated Financial Statement form part of the Annual Report.

SUBSIDIARY

Apple Asset Management Limited is the wholly-owned subsidiary of the Company.

In terms of the General Circular No.2/2011 dated February 8, 2011 read together with General Circular No.3/2011 dated February 21, 2011 issued by the Ministry of Corporate Affairs, Government of India under Section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching financial statement of subsidiaries, subject to fulfillment of conditions stated in the circular, copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiary for the financial year ended March 31, 2014 are not attached to the Balance Sheet of the Company as the Company has fulfilled/shall fulfill the following conditions:-

- The Board of Directors of the Company has by its resolution dated May 14, 2014 consented for not attaching the Balance Sheet of the subsidiary.
- The Company has presented its Annual Report, the Consolidated Financial Statement of Holding Company and its subsidiary duly audited by its Statutory Auditors.
- The Consolidated Financial Statement has been prepared in strict compliance with applicable Accounting Standards and where applicable, Listing Agreement as prescribed by SEBI.
- The Company has disclosed in the consolidated Balance Sheet the following information of the subsidiary:- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiary) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.

- The financial statement and other related detailed information of the subsidiary shall be made available to members of the Company and subsidiary seeking such information at any point of time.
- The financial statement of the subsidiary shall also be kept for inspection by any Member at the Registered Office of the Company and of the subsidiary and the Company shall furnish a hardcopy of the details of accounts of the subsidiary to any Member on demand.
- The Company as well as the subsidiary shall regularly file such data to the various regulatory and Government Authorities as may be required by them.

DIRECTORS

Mr. Mahesh K. Rachh retires by rotation and being eligible, offers himself for reappointment. He is also sought to be reappointed as the Managing Director of the Company for a further period of two years.

In accordance with the provisions of Section 149 of the Companies Act, 2013, your Board of Directors is seeking appointment of Mr. Mahendra S. Shah as an Independent Director for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- in the preparation of the accounts for the financial year ended March 31, 2014, 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 were 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the accounts for the year ended March 31, 2014 on a 'going concern' basis.

CORPORATE GOVERNANCE

A report on Corporate Governance stipulated by Clause 49 of the Listing Agreement is annexed hereto and forms part of this Annual Report.

The requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is attached to the Report on Corporate Governance.

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 under Section 135 of the Companies Act, 2013 and the Rules made thereunder for constitution of a Corporate Social Responsibility Committee.

DEPOSITORIES

As the Members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has



established connectivity with both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

In view of the numerous advantages offered by the Depository system, Members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

At present, 73.03% of the paid-up equity share capital of the Company is held in dematerialized form.

PUBLIC DEPOSITS

The Company, during the year under review, has not accepted any deposits from public. The Company had no unclaimed or unpaid deposits as on March 31, 2014.

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(11) to the Annual Accounts, which are self-explanatory.

PARTICULARS OF EMPLOYEES

There are no employees within the purview of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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

The information required under Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption, is not being given since your Company is not engaged in manufacturing activity.

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

EMPLOYEE RELATIONS

The relations with the employees continued to be cordial.

ACKNOWLEDGEMENTS

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 at all levels.

For and on behalf of the Board

Mahesh K. Rachh
Managing Director

Mahendra S. Shah
Director

Place: Mumbai
Date: May 14, 2014

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with BSE Limited)

I. Company's Philosophy:-

The Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the Code of Corporate Governance in its true spirit. The Company's philosophy in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders' value without compromising in any way in complying with the applicable laws.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavors to strike a right balance with its various stakeholders.

II. Board of Directors:-

A. Composition, category of Directors and their other directorships and committee memberships as on March 31, 2014:-

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

The Company does not have a designated Chairman.

Four meetings of the Board of Directors were held during the financial year ended March 31, 2014. The dates on which the Board meetings were held are as follows:-
May 30, 2013, August 14, 2013, November 13, 2013 and February 14, 2014.

The attendance of the Directors at the Board meetings and at the last Annual General Meeting is given below:-

Name of the Director	Board meetings attended	Attendance at the last Annual General Meeting held on September 25, 2013
Mr. Mahesh K. Rachh	4	Present
Mr. Mahesh Raghavan Menon	4	Present
Mr. Mahendra S. Shah	4	Present

APPLE FINANCE LIMITED

B. Remuneration to Directors for the year 2013-2014:-

Name of Director	Salary and Allowances (₹)	Contribution to Provident Fund and Superannuation Fund (₹)	Sitting Fees (₹)
Mr. Mahesh K. Rachh	19,19,627	2,72,160	Nil
Mr. Mahesh Raghavan Menon	Nil	Nil	6,000
Mr. Mahendra S. Shah	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.

Payment of remuneration to the Managing Director is as per the terms of his appointment, which were approved by the Remuneration Committee, the Board of Directors, and the shareholders of the Company. The remuneration structure comprises salary, perquisites and contributions to provident fund, superannuation and gratuity.

C. Information in respect of the Directors seeking appointment/reappointment at the Annual General Meeting:-

This information forms part of the Notice convening the Annual General Meeting.

III. Audit Committee:-

The Audit Committee of the Board of Directors of the Company, *inter alia*, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, the Committee meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of the Auditors and reviews accounting policies followed by the Company. The Committee makes recommendation(s) to the Board on any matter relating to the financial management of the Company including Statutory Audit Reports. The Committee also recommends the appointment of the Statutory Auditors and fixation of their remuneration.

The Committee reviews with the management the quarterly, half-yearly and annual financial statements before their submission to the Board.

The Committee comprises three Directors viz., Mr. Mahesh K. Rachh, Mr. Mahesh Raghavan Menon and Mr. Mahendra S. Shah. The Chairman of the Committee is Mr. Mahesh Raghavan Menon. All the Members of the Committee are financially literate and have relevant financial expertise. No personnel were denied access to the Committee.

The Committee generally meets once in a quarter to *inter alia* review the quarterly performance and the financial results.

During the financial year ended March 31, 2014, the Committee met four times i.e. on May 30, 2013, August 14, 2013, November 13, 2013 and February 14, 2014.

The attendance of each member at the Audit Committee meetings is given below:-

Name of the Member	Category of Directorship	Audit Committee meetings attended
Mr. Mahesh K. Rachh	Managing Director (Executive Director)	4
Mr. Mahesh Raghavan Menon	Director (Non-Executive and Independent Director)	4
Mr. Mahendra S. Shah	Director (Non-Executive and Independent Director)	4

IV. Nomination and Remuneration Committee:-

The Company's Nomination and Remuneration Committee at present comprises Mr. Mahendra S. Shah and Mr. Mahesh Raghavan Menon. The role of the Committee *inter alia* includes the following:-

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the laid down criteria, and recommend to the Board their appointment and removal.

Mr. Mahendra S. Shah is the Chairman of the Nomination and Remuneration Committee.

The Committee has met on May 30, 2013 during the financial year 2013-2014.

V. Stakeholders Relationship Committee:-

The Company has duly constituted a Stakeholders Relationship Committee, which is headed by the Independent Director, Mr. Mahendra S. Shah to review all matters connected with the Company's transfer of securities and redressal of shareholders'/investors'/security-holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

Terms of reference of the Committee *inter alia* includes the following:-

- Oversee and review all matters connected with the transfer of the Company's securities.
- Monitor redressal of investors'/shareholders'/security-holders' grievances.
- Oversee the performance of the Company's Registrars and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation of the Company's Code of Conduct for prohibition of Insider Trading.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.



Mr. Mahesh K. Rachh is the other member of the Committee. Mr. P. B. Deshpande, Company Secretary is the Compliance Officer of the Company.

Complaints received during the year:-

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

There was no transfer of shares pending as on March 31, 2014.

The above information is based on the details received from the Company's Registrars, Sharepro Services (India) Private Limited.

VI. Subsidiary Company:-

Apple Asset Management Limited is the only non-listed subsidiary of the Company. Mr. Mahesh Raghavan Menon and Mr. Mahendra S. Shah, Non-Executive Directors of the Company are on the Board of Apple Asset Management Limited.

The Company's Board reviews the financial statements of Apple Asset Management Limited. Attention of the Directors of the Company is drawn to all significant transactions and arrangements entered into by the subsidiary company.

VII. Details of Annual General Meetings:-

Annual General Meeting	Location	Date	Time
27th 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.
26th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 25, 2012	3.00 p.m.
25th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 28, 2011	3.00 p.m.

No Special Resolution was put through postal ballot last year nor is it proposed to be put in the current year.

Financial Year	Meeting	Date	Time	No. of Special Resolutions passed
2010-2011	25 th AGM	28.9.2011	3.00 p.m.	None
2011-2012	26 th AGM	25.9.2012	3.00 p.m.	None
2012-2013	27 th AGM	25.9.2013	3.30 p.m.	None

VIII. Disclosures:-

The Company has not entered into any transaction of a material nature with the promoters, the Directors, the management, subsidiary or relatives, etc., that may have any potential conflict with the interests of the Company. Transactions with related parties have been disclosed in Clause 10 of Note No.19 to the Accounts in the Annual Report.

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.

On March 31, 2014, BSE Limited imposed on the Company a fine of ₹5,618 for delay of one day in furnishing the Unaudited Financial Results for the quarter ended December 31, 2013.

It is in this regard clarified that in terms of Clause 41 of the Listing Agreement, immediately upon conclusion of the Board meeting on Friday, February 14, 2014, the Company had duly sent the Unaudited Financial Results by email to BSE Limited and, therefore, there was in fact no delay in furnishing the Unaudited Financial Results since the submission of the Unaudited Financial Results was well within the permitted time limit. However, BSE Limited took view that since the Unaudited Financial Results were sent by the Company in Excel Sheet that did not bear signature of the Company's Director, it was considered as non-submission and as such, the fine of ₹5,618 was imposed on the Company. Save and except this incident, 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.

In compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 1992, as amended till date, on prevention of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates.

IX. Means of Communication:-

The half-yearly/quarterly results are 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 maintains its own website www.applefinance.co.in. The Company posts information relating to its financial results on www.corpfilings.co.in under the Corporate Filing and Dissemination System as required by SEBI. The Company does not make presentations to institutional investors or analysts.

Management Discussion and Analysis Report forms part of the Directors' Report.

X. General Shareholder information:-

- Date, time and venue of the AGM : September 25, 2014 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001
- Financial Calendar : April 1, 2014 to March 31, 2015
- Adoption of Quarterly Results for the quarter ending - : on or before

APPLE FINANCE LIMITED

- June 30, 2014 : August 14, 2014
- September 30, 2014 : November 14, 2014
- December 31, 2014 : February 14, 2015
- March 31, 2015 : May 30, 2015
- Date of Book Closure : September 18, 2014 to September 25, 2014 (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 2014-2015.
- 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 2013-2014 are given below.

Year 2013-2014	High (₹)	Low (₹)
April	2.00	1.45
May	1.80	1.28
June	1.49	1.21
July	1.60	1.09
August	1.25	0.92
September	1.13	0.85
October	1.15	0.87
November	1.00	0.86
December	1.21	0.91
January	1.27	0.88
February	2.71	1.26
March	3.12	1.73

- Registrar and Transfer Agents : Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072
Phone: 6772 0400
Fax: 2859 1568
Contact Persons: Mrs. Indira P. Karkera and Mr. Gopal S. Poojary

• 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 Registrars, Sharepro Services (India) 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, 2014:-

Shareholding	No. of Folios	% of Total	No. of Shares	% of Total
1-500	117811	94.01	17100214	30.72
501-1000	4442	3.55	3544776	6.36
1001- 2000	1591	1.27	2507165	4.51
2001- 3000	461	0.37	1198481	2.15
3001- 4000	209	0.17	762472	1.37
4001- 5000	242	0.19	1170986	2.11
5001- 10000	286	0.23	2202632	3.95
10001 and above	266	0.21	27186396	48.83
Total	125308	100.00	55673122	100.00

- 73.03% of the equity share capital has been dematerialized up to March 31, 2014.

• Categories of Shareholding as on March 31, 2014:

Category	No. of Shares held	Percentage of Shareholding
Promoters	13751596	24.70
Mutual Funds and UTI	13315	0.02
Banks, Financial Institutions and Insurance Companies	15240	0.03
FII's	200	0.00
Private Corporate Bodies	3742337	6.72
Indian Public	33898329	60.89
NRIs/OCBs	934755	1.68
Trusts	3317350	5.96
TOTAL	55673122	100.00

• Address for correspondence:-

The Company Secretary
Apple Finance Limited
8 Apeejay House, 130 Mumbai Samachar Marg
Mumbai 400 023
Tel.: 91 22 2288 6100 Fax: 2288 6106
Email: info@applefinance.co.in

Managing Director's Certification

The Managing Director of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Managing Director also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the Managing Director is published in this Report.

MANAGING DIRECTOR'S CERTIFICATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT WITH BSE LIMITED

I, Mahesh K. Rachh, Managing Director of Apple Finance Limited hereby certify that:-

- a) I have reviewed financial statements and the cash flow statement of Apple Finance Limited for the year ended March 31, 2014 and to the best of my knowledge and belief:-
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

a

- ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year, which is fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) I have indicated to the Auditors and the Audit Committee:-
 - i) that there are no significant changes in internal control over financial reporting during the year;
 - ii) that there are no significant changes in accounting policies during the year; and
 - iii) that there are no instances of significant fraud of which I have become aware.

Mahesh K. Rachh
Managing Director

Place: Mumbai
Date: May 14, 2014

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

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct of Apple Finance Limited for its Directors and Senior Management, for the year ended March 31, 2014.

Mahesh K. Rachh
Managing Director

Place: Mumbai
Date: May 14, 2014

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES

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 year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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.

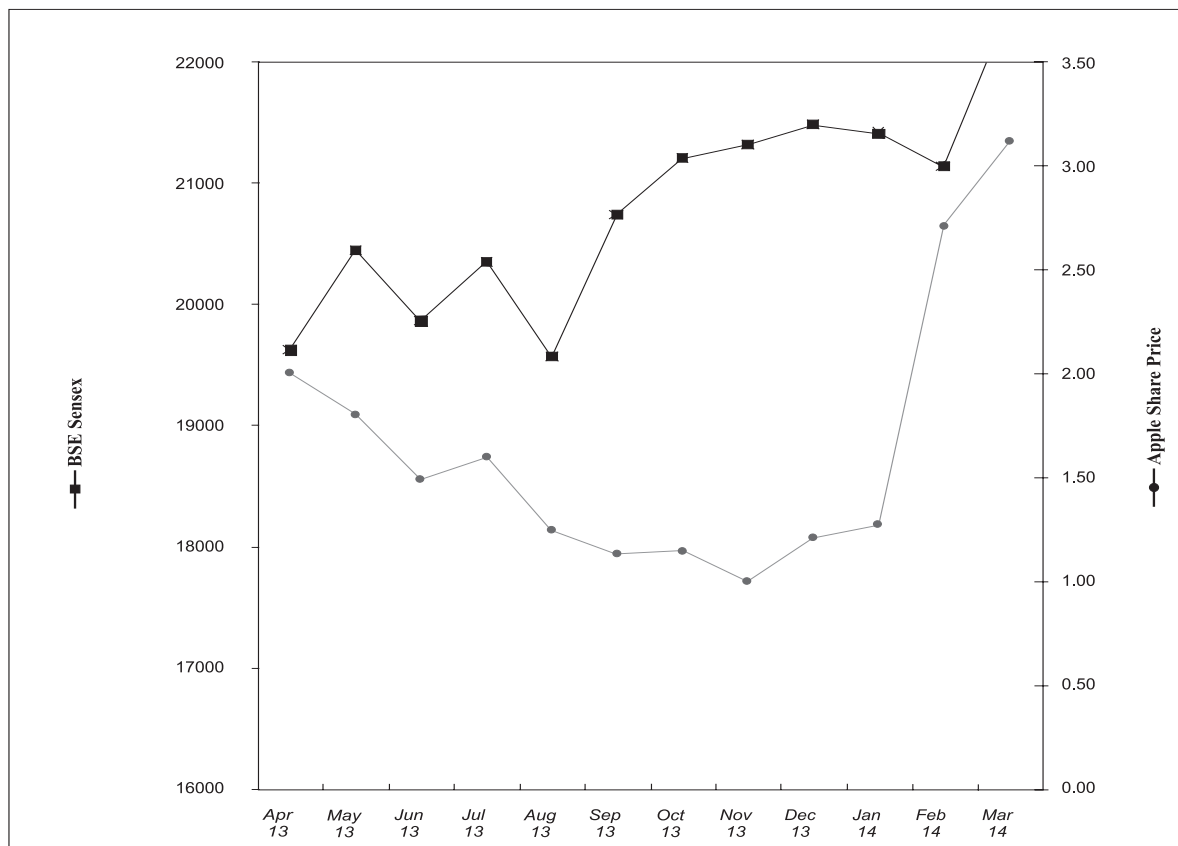
For **Mahendra Kumbhat & Associates**
Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai
Date: May 14, 2014

APPLE FINANCE LIMITED

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



STATEMENT PURSUANT TO DIRECTION ISSUED VIDE CIRCULAR NO.2/2011 UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY, APPLE ASSET MANAGEMENT LIMITED

Sr. No.	Particulars	(₹)
a)	Capital	112,000,000
b)	Reserves	(106,119,680)
c)	Total Assets	52,442,473
d)	Total Liabilities	52,442,473
e)	Details of Investments (except investment in subsidiaries)	52,414,613
f)	Turnover	Nil
g)	Profit/(Loss) before Taxation	(30,925)
h)	Provision for Taxation	Nil
i)	Profit/(Loss) after Taxation	(30,925)
j)	Proposed Dividend	Nil



INDEPENDENT AUDITORS' REPORT

To the Members of

Apple Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Apple Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular No.15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to:

- a) **Point No.1 of Note '19' regarding going concern assumption of the Company.**
- b) **Point No.11 of Note '19' regarding non-consideration of Deferred Tax Assets (Net) amounting to ₹188,449,777.**

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have 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 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular No.15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the Directors as on March 31, 2014, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of Section 274(1)(g) of the Act.

For Mahendra Kumbhat & Associates

*Chartered Accountants
Firm Regn. No.105770W*

Amar Chand Bagrecha

*Partner
Membership No.56605*

Place: Mumbai

Date: May 14, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

Matters required as per Paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Management has verified all the assets during the year. We have been informed that no material discrepancies have been noticed on the assets

APPLE FINANCE LIMITED

- physically verified by the Management.
- (c) The Company has not disposed of substantial part of fixed assets during the year.
2. (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. We have been informed that no material discrepancies between the physical stocks and the book records were noticed on such verification.
3. (a) The Company has not taken loans from companies, firms and other parties listed in the Register maintained under Section 301 of the Act.
- (b) The Company has granted loan to one party required to be listed in the Register to be maintained under Section 301 of the Act, the maximum amount outstanding at any time during the year for this loan is ₹ 47,90,500 and the year end balance is ₹ 47,90,500 which is interest free.
- (c) In our opinion, the terms and conditions, wherever applicable, on which loan is granted are not *prima facie* prejudicial to the interest of the Company, except interest free loan granted.
- (d) Loan granted by the Company is without stipulation of repayment term and hence, we are unable to comment upon regularity of repayment or otherwise and overdue amount.
4. In our opinion and according to the information and explanations given to us, there are in general adequate internal control procedures, commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets, and for sale of services and we have not observed any major weaknesses in internal control.
5. According to the information and explanations given to us, the Company has not entered into the transactions requiring to be entered in the Register maintained under Section 301 of the Act.
6. The Company has not accepted deposits from public during the year and hence, the provisions of Sections 58A and 58AA of the Act and the rules thereunder are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with size and nature of its business.
8. We have been informed that the Central Government has not prescribed the maintenance of Cost records under Section 209(1)(d) of the Act.
9. a) We have been informed that during the year under review, the Company has regularly deposited all undisputed statutory dues including the Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable. There were no arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, disputed statutory dues not deposited are nil.
10. The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has made cash profit in the current financial year and also in the previous financial year.
11. The Company has not defaulted in respect of payment of dues to banks, financial institutions and debenture-holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As informed to us, the Company is not a chit fund or a *nidhi*/mutual benefit fund/society and hence, Clause (xiii) of paragraph 4 of the Order is not applicable.
14. In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments in shares, securities, debentures and other investments and timely entries have been made therein. Except shares of Spectrum Alkyd Resins Limited, all the investments are held by the Company in its own name.
15. The Company has not given any guarantees for loans taken by other companies and hence, Clause (xv) of paragraph 4 of the Order is not applicable to the Company.
16. The Company has not obtained term loans during the year and hence, Clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
17. The Company has not raised fund on short-term basis during the year; and hence, the question of same being used for any long term investments does not arise.
18. During the year, no preferential allotment of shares has been made to the parties and companies covered in the Register maintained under Section 301 of the Act.
19. According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued any debentures, and hence the question of creation of security does not arise.
20. Since the Company has not come out with public issue during the year, clause (xx) of paragraph 4 of the Order is not applicable.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai
Date: May 14, 2014



BALANCE SHEET AS AT 31ST MARCH 2014

(₹)

Particulars	Note	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	556,701,477	556,701,477
(b) Reserves and surplus	3	(293,220,573)	(296,965,596)
		<u>263,480,904</u>	<u>259,735,881</u>
Non-current liabilities			
(a) Long-term provisions	4	69,033,020	68,503,007
		<u>69,033,020</u>	<u>68,503,007</u>
Current liabilities			
(a) Trade payables	5	1,408	10,287
(b) Other current liabilities	6	250,620	1,432,803
(c) Short-term provisions	7	9,099,661	9,097,218
		<u>9,351,689</u>	<u>10,540,308</u>
Total		<u><u>341,865,613</u></u>	<u><u>338,779,197</u></u>
ASSETS			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		59,490,969	61,451,524
(b) Non-current investments	9	54,406,412	54,406,412
		<u>113,897,381</u>	<u>115,857,936</u>
Current assets			
(a) Inventories	10	24,675,000	24,675,000
(b) Cash and bank balances	11	189,954,629	184,831,065
(c) Short-term loans and advances	12	4,815,500	4,790,500
(d) Other current assets	13	8,523,103	8,624,696
		<u>227,968,232</u>	<u>222,921,261</u>
Total		<u><u>341,865,613</u></u>	<u><u>338,779,197</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

On behalf of the Board

Amar Chand Bagrecha

Partner

Membership No.56605

(Mahesh K. Rachh)

Managing Director

(Mahesh Menon)

Director

Place: Mumbai

Dated: May 14, 2014

(Mahendra S. Shah)

Director

(P. B. Deshpande)

Company Secretary

APPLE FINANCE LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(₹)

Particulars	Note	Year ending 31st March 2014	Year ending 31st March 2013
I. Revenue from operations	14	13,250	13,000
II. Other income	15	18,668,988	15,082,989
III. Total revenue		<u>18,682,238</u>	<u>15,095,989</u>
IV. Expenses:			
Employee benefits expense	16	4,361,694	3,931,612
Depreciation and amortization expense	8	1,960,555	1,979,157
Other expenses	17	8,612,568	9,624,783
Total expenses		<u>14,934,816</u>	<u>15,535,552</u>
V. Profit/(Loss) before exceptional and extraordinary items and tax		3,747,422	(439,562)
VI. Exceptional item		-	-
VII. Profit/(Loss) before extraordinary items and tax		3,747,422	(439,562)
VIII. Extraordinary Items - Prior Period Income		-	-
Extraordinary Items - Prior Period Expenses	17	-	489,351
IX. Profit/(Loss) before tax		3,747,422	(928,913)
X. Tax expense:			
(1) Current tax - Wealth Tax		2,400	4,343
(2) Deferred tax		-	-
XI. Profit/(Loss) for the period from continuing operations		<u>3,745,022</u>	<u>(933,256)</u>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (after tax)		<u>-</u>	<u>-</u>
XV. Profit/(Loss) for the period		<u>3,745,022</u>	<u>(933,256)</u>
XVI. Earnings per equity share:	18		
(1) Basic		0.07	(0.02)
(2) Diluted		0.07	(0.02)
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

On behalf of the Board

Amar Chand Bagrecha

Partner
Membership No.56605

(Mahesh K. Rachh)

Managing Director

(Mahesh Menon)

Director

Place: Mumbai

Dated: May 14, 2014

(Mahendra S. Shah)

Director

(P. B. Deshpande)

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	₹	₹	₹	₹
A. Cash flow from operating activities:				
Net profit before tax and extraordinary items		3,747,422		(439,562)
Adjustments for:				
Depreciation	1,960,555		1,979,157	
Profit/Loss on Sale of Assets and Investments	-		-	
Investment Income - Dividend/Interest	(17,853,463)		(15,082,989)	
		<u>(15,892,908)</u>		<u>(13,103,832)</u>
Operating profit before working capital changes		<u>(12,145,486)</u>		<u>(13,543,394)</u>
Adjustments for:				
Trade payables and other short-term liabilities	(658,606)		2,073,621	
Loans and Advances (net)	361,336		730,179	
		<u>(297,269)</u>		<u>2,803,800</u>
Cash generated from operations		<u>(12,442,755)</u>		<u>(10,739,594)</u>
Interest paid	-		-	
Direct taxes paid (-)/Refund of Income Tax (+)	(287,143)		(543,387)	
		<u>(287,143)</u>		<u>(543,387)</u>
Cash flow before extraordinary items		<u>(12,729,898)</u>		<u>(11,282,981)</u>
Extraordinary items		-		(489,351)
Net cash from operating activities A	<u>(12,729,898)</u>		<u>(11,772,332)</u>
B. Cash flow from investing activities:				
Purchase and sale of fixed assets including advances given for work-in-progress		-		(903,200)
Investment redemption/sold		-		-
Interest received		16,068,229		14,407,770
Dividend received		1,785,234		675,219
Net cash used in investing activities B	<u>17,853,463</u>		<u>14,179,789</u>
C. Cash flow from financing activities				
Proceeds from long-term borrowings (net)		-		-
Net cash used in financing activities C	<u>-</u>		<u>-</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		<u>5,123,565</u>		<u>2,407,457</u>
Cash and cash equivalents as at the beginning of the year (opening balance)		<u>184,831,065</u>		<u>182,423,608</u>
Cash and cash equivalents as at the end of the year (closing balance)		<u>189,954,629</u>		<u>184,831,065</u>

Notes:

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

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha

Partner
Membership No.56605

Place: Mumbai
Dated: May 14, 2014

On behalf of the Board

(Mahesh K. Rachh)

Managing Director

(Mahendra S. Shah)

Director

(Mahesh Menon)

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 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 a *pro rata* basis on completed month basis at the rate specified in Schedule XIV to the Companies Act, 1956.

4. Investments

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

5. Valuation of Stocks

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

6. Retirement Benefits

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

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

(ii) The amount of Gratuity liability as ascertained on the basis of actuarial valuation by Life Insurance Corporation of India is paid/provided and charged to the Profit and Loss Account.

(iii) Provision is made towards liability for leave encashment.

7. Impairment of Assets

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

NOTE "2" TO BALANCE SHEET AS AT 31ST MARCH 2014

SHARE CAPITAL	Par Value per share (₹)	Balance Outstanding as at 31st March, 2013		Issued/(Reductions) during the year		Balance Outstanding as at 31st March, 2014	
		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 (%)
		31/03/2013	31/03/2013	31/03/2013	31/03/2014	31/03/2014	31/03/2014
Share held by Holding Company							
Not Applicable							
Holding more than 5%							
Adamica Management Consultancy Ltd.	10	5,528,180	55,281,800	9.93%	5,528,180	55,281,800	9.93%
Overseer Investments Pvt. Ltd.	10	4,134,300	41,343,000	7.43%	4,134,300	41,343,000	7.43%
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, 2014

**NOTE "3" TO BALANCE SHEET AS AT 31ST MARCH 2014**

(₹)

RESERVES AND SURPLUS	Balance as on 31st March 2013	Additions/ Deductions/ Appropriations	Balance as on 31st March 2014
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	(1,327,925,200)		
Add: Profit after tax for the year		3,745,022	
Less: Transfer to General Reserve		-	
Less: Proposed Dividend including Dividend Distribution Tax		-	
Surplus at the end of the year			(1,324,180,177)
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	(296,965,596)	3,745,022	(293,220,573)

NOTE "4" TO BALANCE SHEET AS AT 31ST MARCH 2014

(₹)

LONG-TERM PROVISIONS	Balance as at 31st March 2013	Additions	Utilizations	Reversals	Balance as at 31st March 2014
Provisions for Non-Performing Assets	68,503,007	-	(530,013)	-	69,033,020
Total	68,503,007	-	(530,013)	-	69,033,020

NOTE "5" TO BALANCE SHEET AS AT 31ST MARCH 2014

(₹)

TRADE PAYABLES	As at 31st March 2014	As at 31st March 2013
Others	1,408	10,287
Total	1,408	10,287

NOTE "6" TO BALANCE SHEET AS AT 31ST MARCH 2014

(₹)

OTHER CURRENT LIABILITIES	As at 31st March 2014	As at 31st March 2013
Other Payable	135,798	1,223,773
Duties and Taxes Payable	114,822	209,030
Total	250,620	1,432,803

NOTE "7" TO BALANCE SHEET AS AT 31ST MARCH 2014

(₹)

SHORT-TERM PROVISIONS	Balance as at 31st March 2013	Additions	Utilizations	Reversals	Balance as at 31st March 2014
Provision for employee benefits	560,893	73,733	70,616	-	564,010
Provision for expenses	8,536,325	8,420,651	8,421,325	-	8,535,651
Total	9,097,218	8,494,384	8,491,941	-	9,099,661

APPLE FINANCE LIMITED

(₹)

NOTE "8" TO BALANCE SHEET AS AT 31ST MARCH 2014

FIXED ASSETS	Gross Block as at 1st April 2013	Additions	Deletions	Gross Block as at 31st March 2014	Depreciation up to 31st March, 2013	Depreciation for the year	Depreciation on deductions	Depreciation up to 31st March, 2014	Impairment losses/reversals	Net Block as at 31st March 2014
Tangible Assets										
Land										
- Freehold	955,066	-	-	955,066	-	-	-	-	-	955,066
Buildings										
- Owned	83,323,642	-	-	83,323,642	27,166,679	1,358,172	-	28,524,851	-	54,798,791
Plant and Equipment										
- Owned										
Office Equipment	4,047,326	-	-	4,047,326	3,431,756	96,780	-	3,528,536	-	518,790
Computers	18,042,048	-	-	18,042,048	17,991,961	16,635	-	18,008,596	-	33,452
Electrical Fittings	1,390,185	-	-	1,390,185	835,329	66,036	-	901,365	-	488,820
Furniture and Fixtures	16,418,561	-	-	16,418,561	14,771,137	173,980	-	14,945,117	-	1,473,444
Vehicles	2,620,548	-	-	2,620,548	1,148,990	248,952	-	1,397,942	-	1,222,606
Total	126,797,376	-	-	126,797,376	65,345,852	1,960,555	-	67,306,407	-	59,490,969
Previous Year	125,894,176	903,200	-	126,797,376	63,366,695	1,979,157	-	65,345,852	-	61,451,524

NOTE "9" TO BALANCE SHEET AS AT 31ST MARCH 2014

NON-CURRENT INVESTMENTS

	No. of Securities	Face Value ₹	As at 31st March 2014 ₹	As at 31st March 2013 ₹
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 2014**NON-CURRENT INVESTMENTS**

	Cost (₹)	Market Value (₹)
Aggregate Value of Quoted Investment		
Equity Shares (Previous Year)	45,371,412	65,693,887***
	(45,371,412)	(47,586,267)
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 investment in Cipla Limited and Ambica Cotton Mills Limited, since other quoted shares' market value is not available.

NOTE "10" TO BALANCE SHEET AS AT 31ST MARCH 2014

INVENTORIES (Valued at cost or market value whichever is less)	As on 31st March 2014			As on 31st March 2013		
	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 2014

CASH AND BANK BALANCES	As at 31st March 2014	As at 31st March 2013
Cash and Cash Equivalents		
Cash on hand	37,905	25,018
Balance with Banks	2,936	4,920
Bank Deposits (less than 3 months maturity)*	-	147,738,436
	40,841	147,768,374
Others		
Bank Deposits (more than 3 months but less than 12 months maturity)	30,857,818	20,894,586
Bank Deposits (more than 12 months maturity)**	159,055,971	16,168,105
	189,913,789	37,062,691
Total	189,954,629	184,831,065

*(Previous year ₹ 12,73,39,172)

**Out of which ₹ 13,70,05,971 is under lien with Kotak Mahindra Bank Ltd.

APPLE FINANCE LIMITED

(₹)

NOTE "12" TO BALANCE SHEET AS AT 31ST MARCH 2014

SHORT TERM LOANS AND ADVANCES

	As on 31st March 2014				As on 31st March 2013			
	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	-	4,815,500	-	4,815,500	-	4,790,500	-	4,790,500
Less: Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
	-	4,815,500	-	4,815,500	-	4,790,500	-	4,790,500
Other loans and advances	-	-	-	-	-	-	-	-
Less: Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Grand Total	-	4,815,500	-	4,815,500	-	4,790,500	-	4,790,500

(₹)

NOTE "13" TO BALANCE SHEET AS AT 31ST MARCH 2014

OTHER CURRENT ASSETS

	As on 31st March 2014				As on 31st March 2013			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Interest accrued on Investment	-	2,312,466	-	2,312,466	-	2,068,801	-	2,068,801
Security Deposits	-	389,030	-	389,030	-	428,530	-	428,530
Prepaid Expenses	-	331,278	-	331,278	-	497,778	-	497,778
Other Receivables	-	2,175,000	-	2,175,000	-	2,599,000	-	2,599,000
Advance Income Tax and TDS	-	3,131,113	-	3,131,113	-	2,846,370	-	2,846,370
Sales Tax paid against appeal	-	184,217	-	184,217	-	184,217	-	184,217
Total	-	8,523,103	-	8,523,103	-	8,624,696	-	8,624,696



(₹)

NOTE "14" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

REVENUE FROM OPERATIONS	Year ending 31st March 2014	Year ending 31st March 2013
Hire-Purchase Income	13,250	13,000
Total	13,250	13,000

(₹)

NOTE "15" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

OTHER INCOME	Year ending 31st March 2014	Year ending 31st March 2013
Interest (TDS ₹ 16,06,815; Previous Year ₹ 14,41,591)	16,068,229	14,340,077
Interest on Income Tax Refund	102,940	67,693
Dividend Income: - Others	1,785,234	675,219
Rent Income (TDS ₹ 50,469; Previous Year ₹ Nil)	504,690	-
Miscellaneous Income	207,895	-
Total	18,668,988	15,082,989

(₹)

NOTE "16" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

EMPLOYEE BENEFITS EXPENSES	Year ending 31st March 2014	Year ending 31st March 2013
Salaries and wages	3,384,535	3,091,177
Contribution to Provident and other funds	611,735	534,467
Staff welfare expenses	365,424	305,968
Total	4,361,694	3,931,612

(₹)

NOTE "17" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

OTHER EXPENSES	Year ending 31st March 2014	Year ending 31st March 2013
Power and fuel	332,971	338,485
Repairs to machinery	26,912	37,417
Repairs to building	-	50,000
Repairs and Maintenance - Others	38,260	20,106
Insurance	20,722	21,037
Rates and taxes excluding taxes on income	58,696	119,985
Society Charges	957,488	2,035,993
Legal and Professional fees	455,192	682,447
Claim Against Financing Assets	1,023,240	-
Printing and Stationery	44,144	40,268
Telephone and Fax Expense	201,352	176,876
Courier Expenses	44,794	7,291
Service Charges	597,721	573,528
Security Charges	414,425	426,092
Travelling Expenses	183,732	368,886
Conveyance	8,467	13,113
Motor Car Expenses	850,366	1,181,751
AGM Expenses	1,867,968	2,041,620

APPLE FINANCE LIMITED

(₹)

NOTE "17" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

OTHER EXPENSES	Year ending 31st March 2014	Year ending 31st March 2013
Registrar, Share and Debenture Expenses	848,927	870,150
Directors' Sitting Fees	12,000	12,000
Membership and Subscription	4,434	4,505
Bank Charges	517	150
Books and Periodicals	5,493	8,060
Miscellaneous Expenses	24,856	13,560
Payments to the auditor		
(a) as Auditor	393,260	393,260
(b) for Tax Audit	112,360	112,360
(c) for Limited Review Audit	84,270	75,843
	8,612,568	9,624,783
Prior period items (in case of loss)		
Rates and taxes excluding taxes on income	-	489,351
	-	489,351
Total	8,612,568	10,114,134

(₹)

NOTE "18" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

EARNING PER SHARE	Year ending 31st March 2014	Year ending 31st March 2013
(a) Net Profit after tax attributable to Equity Shareholders for Basic EPS	3,745,022	(933,256)
Add/Less: Adjustment relating to potential equity shares	-	-
	3,745,022	(933,256)
(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	0.07	(0.02)
Diluted Earning Per Share	0.07	(0.02)
Face Value Per Equity Shares	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, 2014

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
(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:		
(a) Claims against the Company not acknowledge as debts	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. Further, Wealth Tax is accounted in the year in which it is paid and hence, no provision for Wealth 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) Prior period expenses details:-		
Other Expenses	Year ending 31st March 2014 (₹)	Year ending 31st March 2013 (₹)
Rates and taxes excluding taxes on income	-	489,351
Total	-	489,351
(6) Remuneration to Directors:		
(a) Remuneration paid to the Managing Director:		
	For the year ended 31st March 2014 (₹)	For the year ended 31st March 2013 (₹)
Salaries and contribution to the Provident and other funds	2,152,187	1,899,342
Perquisites*	39,600	39,600
Total	2,191,787	1,938,942
* 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 349 of the Companies Act, 1956 has not been made.		
(7) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.		
(8) There are no separate reportable segments.		
(9) Demat Account holding statement as on 31.3.2014 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 said shares have been considered as current liability.		

APPLE FINANCE LIMITED

(10) 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 31st March 2014 (₹)	For the year ended 31st March 2013 (₹)
(i) Directors / Key Management Personnel: Remuneration		
(1) Mr. Mahesh K. Rachh: Managing Director	2,191,787	1,938,942
(ii) Director and their relatives - Professional Fees		
(1) Mrs. Anita Menon: Director's spouse	120,000	120,000
iii) Director Sitting Fees		
(1) Mr. Mahesh Menon: Director	6,000	6,000
(2) Mr. Mahendra Shah: Director	6,000	6,000

(11) 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 ₹ 18,84,49,777. 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 2014 (₹)	As at 31 st March 2013 (₹)
Deferred Tax Asset:		
(1) Provision for Non-Performing Assets and Diminution in the value of Investments	23,464,323	20,635,653
(2) Carry forward losses (including Unabsorbed Depreciation)	183,457,760	192,561,453
(3) Depreciation	(18,472,306)	(18,966,883)
Deferred Tax Asset (net)	188,449,777	194,230,222

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

Unquoted		
141,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	24,675,000
	24,675,000	24,675,000

(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

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

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



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

Signatures to Note "1" to "19"

As per our report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants

Firm Regn. No.105770W

Amar Chand Bagrecha

Partner

Membership No.56605

Place: Mumbai

Date: May 14, 2014

Mahesh K. Rachh

Managing Director

Mahesh Menon

Director

Mahendra S. Shah

Director

P. B. Deshpande

Company Secretary

APPLE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Apple Finance Limited**

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Apple Finance Limited ("the Company"), and its subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified by the Companies (Accounting Standards) Rules, 2006.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

4. 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 controls relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, subject to:

a) **Point No.1 of Note '18' regarding going concern assumption of the Company.**

b) **Point No.11 of Note '18' regarding non-consideration of Deferred Tax Assets (Net) amounting to ₹188,449,777.**

(a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and

(c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

6. We did not audit the financial statements of Apple Asset Management Limited, which reflect total assets of ₹ **58,80,320 (excluding debit balance of ₹ 106,119,680 in the Profit and Loss Statement) as at March 31, 2014 and total Revenue of ₹ Nil** for the year ended on that date. These financial statements have been audited by other auditor, whose report has been furnished to us, and in our opinion, so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

For Mahendra Kumbhat & Associates

Chartered Accountants

Firm Regn. No.105770W

Amar Chand Bagrecha

Partner

Membership No.56605

Place: Mumbai

Date : May 14, 2014



Consolidated Balance Sheet as at 31st March 2014

(₹)

Particulars	Note No.	Figures as at 31st March 2014	Figures as at 31st March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	556,701,477	556,701,477
(b) Reserves and surplus	3	(399,340,253)	(403,054,351)
		<u>157,361,224</u>	<u>153,647,126</u>
Non-current liabilities			
(a) Long-term provisions	4	222,766,190	222,236,177
		<u>222,766,190</u>	<u>222,236,177</u>
Current liabilities			
(a) Trade payables	5	14,891	37,006
(b) Other current liabilities	6	250,620	1,432,803
(c) Short-term provisions	7	9,099,661	9,097,218
		<u>9,365,172</u>	<u>10,567,027</u>
	Total	<u>389,492,587</u>	<u>386,450,331</u>
ASSETS			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		59,490,969	61,451,524
(b) Non-current investments	9	106,821,025	106,821,025
		<u>166,311,994</u>	<u>168,272,549</u>
Current assets			
(a) Inventories	10	24,675,000	24,675,000
(b) Cash and bank balances	11	189,982,490	184,878,086
(c) Other current assets	12	8,523,103	8,624,696
		<u>223,180,593</u>	<u>218,177,782</u>
	Total	<u>389,492,587</u>	<u>386,450,331</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 14, 2014

On behalf of the Board

(Mahesh K. Rachh)
Managing Director

(Mahesh Menon)
Director

(Mahendra S. Shah)
Director

(P. B. Deshpande)
Company Secretary

APPLE FINANCE LIMITED

Consolidated Profit and loss statement for the year ended 31st March 2014

(₹)

Particulars	Note No.	Year ending 31st March 2014	Year ending 31st March 2013
I. Revenue from operations	13	13,250	13,000
II. Other income	14	18,668,988	15,094,589
III. Total revenue		<u>18,682,238</u>	<u>15,107,589</u>
IV. Expenses:			
Employee benefits expense	15	4,361,694	3,931,612
Depreciation and amortization expense	8	1,960,555	1,979,157
Other expenses	16	8,643,493	9,660,615
Total expenses		<u>14,965,741</u>	<u>15,571,384</u>
V. Profit/(Loss) before exceptional and extraordinary items and tax		3,716,497	(463,794)
VI. Exceptional item		-	-
VII. Profit/(Loss) before extraordinary items and tax		3,716,497	(463,794)
VIII. Extraordinary Items - Prior Period Income		-	-
Extraordinary Items - Prior Period Expenses	16	-	489,351
IX. Profit/(Loss) before tax		3,716,497	(953,145)
X. Tax expense:			
(1) Current tax - Wealth Tax		2,400	4,343
(2) Deferred tax		-	-
XI Profit/(Loss) for the period from continuing operations		<u>3,714,097</u>	<u>(957,488)</u>
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(Loss) from discontinuing operations (after tax)		<u>-</u>	<u>-</u>
XV Profit/(Loss) for the period		<u>3,714,097</u>	<u>(957,488)</u>
XVI Earnings per equity share:	17		
(1) Basic		0.07	(0.02)
(2) Diluted		0.07	(0.02)
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

On behalf of the Board

Amar Chand Bagrecha
Partner
Membership No.56605

(Mahesh K. Rachh)
Managing Director

(Mahesh Menon)
Director

Place: Mumbai
Dated: May 14, 2014

(Mahendra S. Shah)
Director

(P. B. Deshpande)
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	₹	₹	₹	₹
A. Cash flow from operating activities:				
Net profit before tax and extraordinary items		3,716,497		(463,794)
Adjustments for:				
Depreciation	1,960,555		1,979,157	
Profit/Loss on Sale of Assets and Investments	-		-	
Investment Income - Dividend/Interest	(17,956,403)		(15,094,589)	
		(15,995,848)		(13,115,432)
Operating profit before working capital changes		(12,279,351)		(13,579,226)
Adjustments for:				
Trade payables and other short term liabilities	1,201,855		2,073,621	
Loans and Advances (net)	183,150		775,179	
		1,385,004		2,848,800
Cash generated from operations		(10,894,346)		(10,730,426)
Interest paid	-		-	
Direct taxes paid (-)/Refund of Income Tax (+)	(287,143)		(543,387)	
		(287,143)		(543,387)
Cash flow before extraordinary items		(11,181,489)		(11,273,813)
Extraordinary items		-		(489,351)
Net cash from operating activities A		(11,181,489)		(11,763,164)
B. Cash flow from investing activities:				
Purchase and sale of fixed assets including advances given for work-in-progress		-		(903,200)
Investment redemption/sold		-		-
Interest received		16,171,169		14,407,770
Dividend received		1,785,234		686,819
Net cash used in investing activities B		17,956,403		14,191,389
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)		6,774,914		2,428,225
Cash and cash equivalents as at the beginning of the year (opening balance)		184,878,086		182,449,861
Cash and cash equivalents as at the end of the year (closing balance)		189,982,490		184,878,086

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 14, 2014

On behalf of the Board

(Mahesh K. Rachh)
Managing Director

(Mahesh Menon)
Director

(Mahendra S. Shah)
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 a *pro rata* basis on completed month basis at the rate specified in Schedule XIV to the Companies Act, 1956.

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 2014

SHARE CAPITAL	Par Value per share (₹)	Balance Outstanding as at 31st March, 2013		Issued/(Reductions) during the year		Balance Outstanding as at 31st March, 2014	
		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 (%)
		31/03/2013	31/03/2013	31/03/2013	31/03/2014	31/03/2014	31/03/2014
Share held by Holding Company							
Not Applicable							
Holding more than 5%							
Adamica Management Consultancy Ltd.	10	5,528,180	55,281,800	9.93%	5,528,180	55,281,800	9.93%
Overseer Investments Pvt. Ltd.	10	4,134,300	41,343,000	7.43%	4,134,300	41,343,000	7.43%
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, 2014

(₹)

NOTE "3" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

RESERVES AND SURPLUS	Balance as on 31st March 2013	Additions/ Deductions/ Appropriations	Balance as on 31st March 2014
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/(Deficit) at the beginning of the year	(1,434,013,955)		
Add: Profit/(Loss) after tax for the year		3,714,097	
Less: Transfer to General Reserve		-	
Less: Proposed Dividend including Dividend Distribution Tax		-	
Surplus/(Deficit) at the end of the year			(1,430,299,857)
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	(403,054,351)	3,714,097	(399,340,253)

(₹)

NOTE "4" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

LONG-TERM PROVISIONS	Balance as at 31st March 2013	Additions	Utilizations	Reversals	Balance as at 31st March 2014
Provisions for Non-Performing Assets	222,236,177	-	(530,013)	-	222,766,190
Total	222,236,177	-	(530,013)	-	222,766,190

APPLE FINANCE LIMITED

(₹)

NOTE "5" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

TRADE PAYABLES	As at 31st March 2014	As at 31st March 2013
Others	14,891	37,006
Total	14,891	37,006

(₹)

NOTE "6" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

OTHER CURRENT LIABILITIES	As at 31st March 2014	As at 31st March 2013
Other Payable	135,798	1,223,773
Duties and Taxes Payable	114,822	209,030
Total	250,620	1,432,803

(₹)

NOTE "7" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

SHORT-TERM PROVISIONS	Balance as at 31st March 2013	Additions	Utilizations	Reversals	Balance as at 31st March 2014
Provision for employee benefits	560,893	73,733	70,616	-	564,010
Provision for expenses	8,536,325	8,420,651	8,421,325	-	8,535,651
Total	9,097,218	8,494,384	8,491,941	-	9,099,661

(₹)

NOTE "8" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

FIXED ASSETS	Gross Block as at 1st April 2013	Additions	Deletions	Gross Block as at 31st March 2014	Depreciation up to 31st March 2013	Depreciation for the year	Depreciation on deductions	Depreciation up to 31st March 2014	Impairment losses/ reversals	Net Block as at 31st March 2014
Tangible Assets										
Land										
- Freehold	955,066	-	-	955,066	-	-	-	-	-	955,066
Buildings										
- Owned	83,323,642	-	-	83,323,642	27,166,679	1,358,172	-	28,524,851	-	54,798,791
Plant and Equipment										
- Owned										
Office Equipment	4,047,326	-	-	4,047,326	3,431,756	96,780	-	3,528,536	-	518,790
Computers	18,042,048	-	-	18,042,048	17,991,961	16,635	-	18,008,596	-	33,452
Electrical Fittings	1,390,185	-	-	1,390,185	835,329	66,036	-	901,365	-	488,820
Furniture and Fixtures	16,418,561	-	-	16,418,561	14,771,137	173,980	-	14,945,117	-	1,473,444
Vehicles	2,620,548	-	-	2,620,548	1,148,990	248,952	-	1,397,942	-	1,222,606
Total	126,797,376	-	-	126,797,376	65,345,852	1,960,555	-	67,306,407	-	59,490,969
Previous Year	125,894,176	903,200	-	126,797,376	63,366,695	1,979,157	-	65,345,852	-	61,451,524



(₹)

NOTE "9" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

NON-CURRENT INVESTMENTS

	No. of Securities	Face Value (₹)	As at 31st March 2014 (₹)	As at 31st March 2013 (₹)
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
Sesa Goa 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 Debentures 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)	66,787,477 *** (48,489,037)
Aggregate Value of Unquoted Investment		
Equity Shares (Previous Year)	55,548,590 (55,548,590)	
TOTAL (Previous Year)	100,971,025 (100,971,025)	

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

APPLE FINANCE LIMITED

(₹)

NOTE "10" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

INVENTORIES (Valued at cost or market value whichever is less)	As on 31st March 2014			As on 31st March 2013		
	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 2014

CASH AND BANK BALANCES	As at 31st March 2014	As at 31st March 2013
Cash and Cash Equivalents		
Cash on hand	48,284	35,397
Balance with Banks	20,417	41,562
Bank Deposits (less than 3 months maturity)*	-	147,738,436
	68,701	147,815,395
Others		
Bank Deposits (more than 3 months but less than 12 months maturity)	30,857,818	20,894,586
Bank Deposits (more than 12 months maturity)**	159,055,971	16,168,105
	189,913,789	37,062,691
Total	189,982,490	184,878,086

* Out of which ₹ 12,73,39,172 is under lien with Kotak Mahindra Bank Ltd.
** (Previous year ₹ 11,96,22,338)

(₹)

NOTE "12" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

OTHER CURRENT ASSETS

	As on 31st March 2014				As on 31st March 2013			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Interest accrued on Investment	-	2,312,466	-	2,312,466	-	2,068,801	-	2,068,801
Security Deposits	-	389,030	-	389,030	-	428,530	-	428,530
Prepaid Expenses	-	331,278	-	331,278	-	497,778	-	497,778
Other Receivables	-	2,175,000	-	2,175,000	-	2,599,000	-	2,599,000
Advance Income Tax and TDS	-	3,131,113	-	3,131,113	-	2,846,370	-	2,846,370
Sales Tax paid against appeal	-	184,217	-	184,217	-	184,217	-	184,217
Total	-	8,523,103	-	8,523,103	-	8,624,696	-	8,624,696



(₹)

NOTE "13" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

REVENUE FROM OPERATIONS	Year ending 31st March 2014	Year ending 31st March 2013
Hire-Purchase Income	13,250	13,000
Total	13,250	13,000

(₹)

NOTE "14" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

OTHER INCOME	Year ending 31st March 2014	Year ending 31st March 2013
Interest (TDS ₹ 16,06,815; Previous Year ₹ 14,41,591)	16,068,229	14,340,077
Interest on Income Tax Refund	102,940	67,693
Dividend Income: - Others	1,785,234	686,819
Short-Term Capital Gain on Sale of Mutual Fund Units	-	-
Rent Income (TDS ₹ 50,469; Previous Year ₹ Nil)	504,690	-
Miscellaneous Income	207,895	-
Total	18,668,988	15,094,589

(₹)

NOTE "15" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

EMPLOYEE BENEFITS EXPENSES	Year ending 31st March 2014	Year ending 31st March 2013
Salaries and wages	3,384,535	3,091,177
Contribution to Provident and other funds	611,735	534,467
Staff welfare expenses	365,424	305,968
Total	4,361,694	3,931,612

(₹)

NOTE "16" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

OTHER EXPENSES	Year ending 31st March 2014	Year ending 31st March 2013
Power and fuel	332,971	338,485
Repairs to machinery	26,912	37,417
Repairs to building	-	50,000
Repairs and Maintenance - Others	38,260	20,106
Insurance	20,722	21,037
Rates and taxes excluding taxes on income	58,696	119,985
Society Charges	957,488	2,035,993
Legal and Professional fees	471,624	704,796
Claim Against Financing Assets	1,023,240	-
Printing and Stationery	44,144	40,268
Telephone and Fax Expense	201,352	176,876
Courier Expenses	44,794	7,291
Service Charges	597,721	573,528
Security Charges	414,425	426,092
Travelling Expenses	183,732	368,886
Conveyance	8,467	13,113
Motor Car Expenses	850,366	1,181,751
AGM Expenses	1,867,968	2,041,620

APPLE FINANCE LIMITED

(₹)

NOTE "16" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

OTHER EXPENSES	Year ending 31st March 2014	Year ending 31st March 2013
Registrar, Share and Debenture Expenses	849,937	870,150
Directors' Sitting Fees	12,000	12,000
Membership and Subscription	4,434	4,505
Bank Charges	517	150
Books and Periodicals	5,493	8,060
Miscellaneous Expenses	24,856	13,560
Payments to the Auditor		
(a) as Auditor	406,743	406,743
(b) for Tax Audit	112,360	112,360
(c) for Limited Review Audit	84,270	75,843
	8,643,493	9,660,615
Prior period items (in case of loss)		
Rates and taxes excluding taxes on income	-	489,351
	-	489,351
Total	8,643,493	10,149,966

(₹)

NOTE "17" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2014

EARNING PER SHARE	Year ending 31st March 2014	Year ending 31st March 2013
(a) Net Profit after tax attributable to Equity Shareholders for Basic EPS	3,714,097	(957,488)
Add/Less: Adjustment relating to potential equity shares	-	-
	3,714,097	(957,488)
(b) Weighted average No. 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	0.07	(0.02)
Diluted Earning Per Share	0.07	(0.02)
Face Value Per Equity Shares	10	10
(d) Reconciliation between No. 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, 2014

	As at 31 st March, 2014 (₹)	As at 31 st March, 2013 (₹)
(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:		
(a) Claims against the Company not acknowledge as debts	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. Further, Wealth Tax is accounted in the year in which it is paid and hence, no provision for Wealth 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) Prior period expenses details:-

Other Expenses

Rates and taxes excluding taxes on income
Total

	Year ending 31st March 2014 (₹)	Year ending 31st March 2013 (₹)
Rates and taxes excluding taxes on income	-	489,351
Total	-	489,351

(6) Remuneration to Directors:

(a) Remuneration paid to the Managing Director:

Salaries and Contribution to the Provident and other funds
Perquisites*
Total

	For the year ended 31st March 2014 (₹)	For the year ended 31st March 2013 (₹)
Salaries and Contribution to the Provident and other funds	2,152,187	1,899,342
Perquisites*	39,600	39,600
Total	2,191,787	1,938,942

* 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 349 of the Companies Act, 1956 has not been made.

- (7) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.
- (8) There are no separate reportable segments.
- (9) Demat Account holding statement as on 31.3.2014 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 said shares have been considered as current liability.

APPLE FINANCE LIMITED

(10) 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 31st March 2014 (₹)	For the year ended 31st March 2013 (₹)
(i) Directors / Key Management Personnel: Remuneration		
(1) Mr. Mahesh K. Rachh: Managing Director	2,191,787	1,938,942
(ii) Director and their relatives - Professional Fees		
(1) Mrs. Anita Menon: Director's spouse	120,000	120,000
iii) Director Sitting Fees		
(1) Mr. Mahesh Menon: Director	6,000	6,000
(2) Mr. Mahendra Shah: Director	6,000	6,000

(11) 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 ₹ 18,84,49,777. 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 2013 (₹)	As at 31 st March 2012 (₹)
Deferred Tax Asset:		
(1) Provision for Non-Performing Assets and Diminution in the value of Investments	23,464,323	20,635,653
(2) Carry forward losses (including Unabsorbed Depreciation)	183,457,760	192,561,453
(3) Depreciation	(18,472,306)	(18,966,883)
Deferred Tax Asset (net)	188,449,777	194,230,222

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

Unquoted		
141,000 Equity Shares of ₹ 10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	24,675,000
	24,675,000	24,675,000

(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

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



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

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

Signatures to Note "1" to "18"

As per our report of even date

On behalf of the Board

For Mahendra Kumbhat & Associates

*Chartered Accountants
Firm Regn. No.105770W*

Amar Chand Bagrecha

*Partner
Membership No.56605*

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place: Mumbai

Date: May 14, 2014

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

Dear Shareholder,

Green Initiative in Corporate Governance

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. Your Company supports this environment friendly initiative of the Government of India and proposes to send Notices for General Meetings/Annual Reports/other shareholder communication through electronic mode to the registered email addresses of shareholders.

Please note that as a shareholder of the Company, you will be entitled to receive physical copies of all notices and documents free of cost upon specific request made to the Company.

Shareholders, who wish to receive the Annual Report and other documents in the electronic mode, are requested to fill the form below and send the same to our Registrar and Transfer Agents viz., Sharepro Services (India) Pvt. Ltd. and also register their email ID with their Depository Participants (DP) if the shares are held in Demat mode.

Thanking you,

Yours truly,

P. B. Deshpande
Company Secretary

Date: August 13, 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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to Circular No.17/2011 dated 21.04.2011 and No.18/2011
dated 29.04.2011 issued by the Ministry of Corporate Affairs)

To

Sharepro Services (India) Private Limited
Unit: Apple Finance Limited
13AB, Samhita Warehousing Complex, Floor 2
Sakinaka Telephone Exchange Lane
Off Andheri-Kurla Road, Sakinaka
Andheri (East)
Mumbai 400 072

Dear Sirs,

With reference to your circular dated August 13, 2014, I/we shareholder(s) of Apple Finance Limited, agree to receive all notices and documents including the Annual Report, Notices for General Meetings and other shareholder communication in electronic mode.

I/we request you to kindly register my/our email ID in the Company's records for sending such communication through email.

Folio No./DP ID & Client ID No. :

Name of the Shareholder :

No. of Shares :

Email ID for receipt of documents
in electronic mode :

Signature
(Sole/First Shareholder)

Date:

a

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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

28th Annual General Meeting – September 25, 2014

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 28th 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 Thursday, 25th September, 2014 at 3.30 p.m.

Name of the member/proxy

Signature of the member/proxy

(in BLOCK letters)

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

28th Annual General Meeting – September 25, 2014

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

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

- Name:.....
Address:.....
Email: Signature:, or failing him/her
- Name:.....
Address:.....
Email: Signature:, or failing him/her
- Name:.....
Address:.....
Email: Signature: as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Thursday, September 25, 2014 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, 2014.
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, 2014.
5.	Appoint Mr. Mahendra S. Shah as an Independent Director.
6.	Appoint Ms. Jacqueline Patel as an Independent Director.
7.	Borrowing Powers of the Company.
8.	Investments by the Company.
9.	Adoption of new set of Articles of Association.

Signed this day of 2014

Signature of the shareholder

Signature of the proxy holder(s)

Affix a
revenue
stamp

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.

TEAR HERE

IF UNDELIVERED, PLEASE RETURN TO:

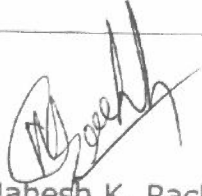
SHAREPRO SERVICES (INDIA) PVT. LTD.

Unit : Apple Finance Limited

13AB, Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane
Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072

FORM 'B'

Format of covering letter of the Annual Audit Report to be filed with BSE Limited

1.	Name of the Company	Apple Finance Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit qualification	Subject to: (a) Point No.1 of Note '19' regarding 'going concern' assumption of the Company. (b) Point No.11 of Note '19' regarding non-consideration of Deferred Tax Assets (Net) amounting to Rs.18,84,49,777.
4.	Frequency of qualification	(a) The qualification is appearing since the financial year ended March 31, 2004. (b) The qualification is appearing since the financial year ended March 31, 2002.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors' Report.	(a) [Annual Report Page No.26] The Company can in future carry on the business of Non-Banking Financial Institution after taking necessary approval from Reserve Bank of India. Further, the Company does have business income from interest, etc. and also have Stock-in-Trade for business. (b) [Annual Report Page No.27] 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.
6.	Additional comments from the Board/ Audit Committee Chair.	None
7.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	 Mahesh K. Rachh Managing Director