



APPLE FINANCE LIMITED
14TH ANNUAL REPORT 2000

APPLE FINANCE LIMITED**CONTENTS**

	Pg. No.
APPLE FINANCE LTD.	1
APPLE ASSET MANAGEMENT LTD.	28
APPLE GRANITES LTD.	34

BOARD OF DIRECTORS

Mr. V. Gopalakrishnan (Managing Director)

Mr. Gajendra Raj Abani (Executive Director)

Mr. T.K.R. Chary (Executive Director)

Mr. V. Venkataramani (Executive Director)

Mr. Premlal K.K. (Executive Director)

AUDITORS

Messrs Mahendra Kumbhat & Associates
Chartered Accountants

14th Annual General Meeting

On Friday, June 29, 2001 at 10.30 a.m.
at Tejpal Auditorium, Near August Kranti Maidan,
Gowalia Tank, Mumbai 400 007

REGISTERED OFFICE

G/1 Span Landmark, Ground Floor
Opp. Apple Heritage
Andheri-Kurla Road, Chakala
Andheri (East), Mumbai 400 093

REGISTRAR & TRANSFER AGENTS

Messrs Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda
Cardinal Gracias Road, Chakala
Andheri (East), Mumbai 400 099
Phone : 8348218 8329828 8215168 8215991
Fax : 8375646

BANKERS

Canara Bank
State Bank of India
Bank of Baroda
State Bank of Patiala
Allahabad Bank
Punjab National Bank
The Federal Bank Limited
Dena Bank
Union Bank of India
Bank of India
State Bank of Hyderabad
State Bank of Bikaner & Jaipur
Central Bank of India
The South Indian Bank Limited
ICICI Bank Limited
The Lakshmi Vilas Bank Limited
The Catholic Syrian Bank Limited

NOTICE

NOTICE is hereby given that the fourteenth Annual General Meeting of the members of Apple Finance Limited will be held on Friday, June 29, 2001 at 10.30 a.m. at Tejpal Auditorium, Near August Kranti Maidan, Gowalia Tank, Mumbai 400 007 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as on December 31, 2000, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V Gopalakrishnan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Messrs Mahendra Kumbhat & Associates, Chartered Accountants, the retiring Auditors, the Auditors of the Company, and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To appoint Mr. T. K. R. Chary a Director of the Company.
5. To appoint Mr. Gajendra Raj Abani a Director of the Company.
6. To appoint Mr. Premlal K. K. a Director of the Company.
7. To appoint Mr. V. Venkataramani a Director of the Company.
8. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:

"RESOLVED THAT the appointment of Mr. T. K. R. Chary as Executive Director of the Company subject to Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for a period of five years with effect from February 22, 2001 made by the Board of Directors of the Company (hereinafter referred to as "the Board") vide its resolution dated February 22, 2001 and the remuneration payable to Mr. T. K. R. Chary pursuant to the aforesaid resolution and as set out in the Explanatory Statement annexed to this Notice, be and is hereby approved.

RESOLVED FURTHER THAT Mr. T. K. R. Chary shall be liable to retire by rotation.

AND THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

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

"RESOLVED THAT the appointment of Mr. Gajendra Raj Abani as Executive Director of the Company subject to Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for a period of five years with effect from February 22, 2001 made by the Board of Directors of the Company (hereinafter referred to as "the Board") vide its resolution dated February 22, 2001 and the remuneration payable to Mr. Gajendra Raj Abani pursuant to the aforesaid resolution and as set out in the Explanatory Statement annexed to this Notice, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Gajendra Raj Abani shall be liable to retire by rotation.

AND THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

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

"RESOLVED THAT the appointment of Mr. Premlal K.K. as Executive Director of the Company subject to Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for a period of five years with effect from February 22, 2001 made by the Board of Directors of the Company (hereinafter referred to as "the Board") vide its resolution dated February 22, 2001 and the remuneration payable to Mr. Premlal K. K. pursuant to the aforesaid resolution and as set out in the Explanatory Statement annexed to this Notice, be and is hereby approved.

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

AND THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

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

"RESOLVED THAT the appointment of Mr. V. Venkataramani as Executive Director of the Company subject to Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for a period of five years with effect from February 22, 2001 made by the Board of Directors of the Company (hereinafter referred to as "the Board") vide its resolution dated February 22, 2001 and the remuneration payable to Mr. V. Venkataramani pursuant to the aforesaid



APPLE FINANCE LIMITED

14th annual report 2000

2

resolution and as set out in the Explanatory Statement annexed to this Notice, be and is hereby approved.

RESOLVED FURTHER THAT Mr. V. Venkataramani shall be liable to retire by rotation.

AND THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

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

"RESOLVED THAT the appointment of Mr. V. Gopalakrishnan as Managing Director of the Company subject to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and also subject to the approval of the Central Government, for a period of five years with effect from March 8, 2001 made by the Board of Directors of the Company (hereinafter referred to as "the Board") vide its resolution dated March 8, 2001 and the remuneration payable to Mr. V. Gopalakrishnan pursuant to the aforesaid resolution and as set out in the Explanatory Statement annexed to this Notice, be and is hereby approved.

RESOLVED FURTHER THAT Mr. V. Gopalakrishnan shall be liable to retire by rotation.

AND THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

By Order of the Board of Directors

Parag Deshpande
Company Secretary

Registered Office:

G/1 Span Landmark
Ground Floor, Opp. Apple Heritage
Andheri-Kurla Road, Chakala
Andheri (East)
Mumbai 400 093
Date: March 31, 2001

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. A proxy need not be a member.

The proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item Nos. 4, 5, 6, 7, 8, 9, 10, 11 and 12 as set out above, is annexed hereto.
3. Members are requested to notify the change, if any, in their address, to the Registrar & Transfer Agents of the Company.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, June 22, 2001 to Friday, June 29, 2001 (both days inclusive).
5. Members / Proxies should bring the attendance slip sent herewith duly filled out for attending the meeting.
6. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended June 30, 1994 have been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Shareholders who have not encashed the dividend warrant for the said period are requested to claim from the Registrar of Companies, Maharashtra, Hakoba Mills Compound, 2nd Floor, Dattaram Lad Marg, Kalachowkie, Mumbai 400 033.

Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have not encashed their dividend warrants, may approach the Company's Registrar & Transfer Agents, Messrs Sharepro Services, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai 400 099 for revalidating the warrants or for obtaining duplicate warrants.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item Nos.4 and 8

The Board of Directors ("the Board") in its meeting held on February 22, 2001, appointed Mr. T. K. R. Chary an Additional Director and Executive Director of the Company. Mr. T. K. R. Chary will hold the office of Director upto the conclusion of forthcoming Annual General Meeting.

Mr. T. K. R. Chary joined the Company in January, 2000 and has over twenty three years' experience in areas of money, banking and allied financial services. Prior to his induction into the Board, Mr. T. K. R. Chary was Vice President of the Company.

The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 along with the requisite deposit amount, notifying his intention to propose Mr. T. K. R. Chary as a candidate for office of Director of the Company.

The main terms of appointment, remuneration etc. of Mr. T. K. R. Chary as Executive Director are as under, which are subject to the approval of the members of the Company.

Term - Five years effective February 22, 2001, subject to earlier termination either by the Company or him by three months' prior notice.

Salary including perquisites, ex-gratia and other allowances not exceeding Rs.9,76,000 per annum, with such revisions as may be approved by the Board from time to time.

In addition, Mr. T. K. R. Chary 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. T. K. R. Chary shall also be entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above:

- 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, wherever applicable, shall be evaluated as per the Income-tax Rules, 1962.

Mr. T. K. R. Chary, so long as he functions as Executive 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. T. K. R. Chary as Executive Director, the Company has no profits or its profits are inadequate, the Board shall be entitled

to pay Mr. T. K. R. Chary such remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force.

Except Mr. T. K. R. Chary, none of the Directors has any concern or interest in the aforesaid resolutions.

The Board commends these resolutions for acceptance by the members.

Item Nos.5 and 9

The Board of Directors ("the Board") in its meeting held on February 22, 2001, appointed Mr. Gajendra Raj Abani an Additional Director and Executive Director of the Company. Mr. Gajendra Raj Abani will hold the office of Director upto the conclusion of forthcoming Annual General Meeting.

A qualified Chartered Accountant, Mr. Gajendra Raj Abani joined the Company in August, 1995 and has over thirteen years' corporate experience. Prior to his induction into the Board, Mr. Gajendra Raj Abani was Vice President of the Company.

The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 along with the requisite deposit amount, notifying his intention to propose Mr. Gajendra Raj Abani as a candidate for office of Director of the Company.

The main terms of appointment, remuneration etc. of Mr. Gajendra Raj Abani as Executive Director are as under, which are subject to the approval of the members of the Company.

Term - Five years effective February 22, 2001, subject to earlier termination either by the Company or him by three months' prior notice.

Salary including perquisites, ex-gratia and other allowances not exceeding Rs.11,00,000 per annum, with such revisions as may be approved by the Board from time to time.

In addition, Mr. Gajendra Raj Abani 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. Gajendra Raj Abani shall also be entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above:

- Gratuity: Payable as per the rules of the Group Gratuity Scheme of the Company.

APPLE FINANCE LIMITED

14th annual report 2000

4

- Encashment of leave at the end of the tenure.

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

Mr. Gajendra Raj Abani, so long as he functions as Executive 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. Gajendra Raj Abani as Executive Director, the Company has no profits or its profits are inadequate, the Board shall be entitled to pay Mr. Gajendra Raj Abani such remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force.

Except Mr. Gajendra Raj Abani, none of the Directors has any concern or interest in the aforesaid resolutions.

The Board commends these resolutions for acceptance by the members.

Item Nos.6 and 10

The Board of Directors ("the Board") in its meeting held on February 22, 2001, appointed Mr. Premlal K. K. an Additional Director and Executive Director of the Company. Mr. Premlal K. K. will hold the office of Director upto the conclusion of forthcoming Annual General Meeting.

A qualified legal professional, Mr. Premlal K. K. joined the Company in September, 1999 and has over ten years' experience in corporate and legal field. Prior to his induction into the Board, Mr. Premlal K. K. was Manager (Legal) of the Company.

The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 along with the requisite deposit amount, notifying his intention to propose Mr. Premlal K. K. as a candidate for office of Director of the Company.

The main terms of appointment, remuneration etc. of Mr. Premlal K. K. as Executive Director are as under, which are subject to the approval of the members of the Company.

Term - Five years effective February 22, 2001, subject to earlier termination either by the Company or him by three months' prior notice.

Salary including perquisites, ex-gratia and other allowances not exceeding Rs.8,01,000 per annum, with such revisions as may be approved by the Board from time to time.

In addition, Mr. Premlal K. K. 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. Premlal K. K. shall also be entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above:

- 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, wherever applicable, shall be evaluated as per the Income-tax Rules, 1962.

Mr. Premlal K. K., so long as he functions as Executive 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. Premlal K. K. as Executive Director, the Company has no profits or its profits are inadequate, the Board shall be entitled to pay Mr. Premlal K. K. such remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force.

Except Mr. Premlal K. K., none of the Directors has any concern or interest in the aforesaid resolutions.

The Board commends these resolutions for acceptance by the members.

Item Nos.7 and 11

The Board of Directors ("the Board") in its meeting held on February 22, 2001, appointed Mr. V. Venkataramani an Additional Director and Executive Director of the Company. Mr. V. Venkataramani will hold the office of Director upto the conclusion of forthcoming Annual General Meeting.

Mr. V. Venkataramani joined the Company in November, 1996 and has about twenty years' corporate experience in marketing of financial products. Prior to his induction into the Board, Mr. V. Venkataramani was Assistant Vice President of the Company.

The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 along with the requisite deposit amount, notifying his intention to propose Mr. V. Venkataramani as a candidate for office of Director of the Company.

The main terms of appointment, remuneration etc. of Mr. V. Venkataramani as Executive Director are as under, which are subject to the approval of the members of the Company.

Term - Five years effective February 22, 2001, subject to earlier termination either by the Company or him by three months' prior notice.

Salary including perquisites, ex-gratia and other allowances not exceeding Rs.8,26,000 per annum, with such revisions as may be approved by the Board from time to time.

In addition, Mr. V. Venkataramani 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. V. Venkataramani shall also be entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above:

- 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, wherever applicable, shall be evaluated as per the Income-tax Rules, 1962.

Mr. V. Venkataramani, so long as he functions as Executive 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. V. Venkataramani as Executive Director, the Company has no profits or its profits are inadequate, the Board shall be entitled to pay Mr. V. Venkataramani such remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force.

Except Mr. V. Venkataramani, none of the Directors has any concern or interest in the aforesaid resolutions.

The Board commends these resolutions for acceptance by the members.

Item No.12

The Board of Directors ("the Board") in its meeting held on December 21, 1999, had appointed Mr. V. Gopalakrishnan as Executive Director of the Company. The Board, subsequently felt it appropriate to entrust the responsibility of managing the Company's day-to-day affairs to Mr. V. Gopalakrishnan and as such the Board in its meeting held on March 8, 2001 appointed Mr. V. Gopalakrishnan as Managing Director of the Company effective the same date.

Mr. V. Gopalakrishnan joined the Company in March, 1994 and has about twenty-two years' corporate experience in marketing of financial products.

The main terms of appointment, remuneration etc. of Mr. V. Gopalakrishnan as Managing Director are as under, which are subject to the approval of the members of the Company and the Central Government.

Term - Five years effective March 8, 2001, subject to earlier termination either by the Company or him by three months' prior notice.

Salary including perquisites, ex-gratia and other allowances not exceeding Rs.20,00,000 per annum.

In addition, Mr. V. Gopalakrishnan 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. V. Gopalakrishnan shall also be entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above:

- 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, wherever applicable, shall be evaluated as per the Income-tax Rules, 1962.

Mr. V. Gopalakrishnan, so long as he functions as 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. V. Gopalakrishnan as Managing Director, the Company has no profits or its profits are inadequate, the Board shall be entitled to pay Mr. V. Gopalakrishnan such remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force.

Except Mr. V. Gopalakrishnan, none of the Directors has any concern or interest in the aforesaid resolution.

The Board commends the resolution for acceptance by the members.

By Order of the Board of Directors

Parag Deshpande
Company Secretary

Registered Office:

G/1 Span Landmark
Ground Floor, Opp. Apple Heritage
Andheri-Kurla Road, Chakala
Andheri (East), Mumbai 400 093
Date : March 31, 2001



DIRECTORS' REPORT

Your Directors present their fourteenth Annual Report on the business and operations of your Company and the audited financial accounts for the year ended December 31, 2000.

FINANCIAL RESULTS

The financial results of your Company for the year ended December 31, 2000 as compared to the previous year are summarized below:

	Financial year ended	Rs. in lacs Financial year ended
	31.12.2000	31.12.1999
Gross income	5170.02	12581.48
Profit/ (Loss) before depreciation and taxation	(9731.11)	2389.22
Less : Depreciation	3710.33	2673.58
Profit / (Loss) before taxation	(13441.44)	(284.36)
Less : Provision for taxation	1.50	5.00
Net profit / (loss) after taxation	(13442.94)	(289.36)
Add : Balance brought forward from previous year	Nil	42.94
Add : Transfer from General Reserve	553.59	246.41
Add : Transfer from Contingency Reserve	5631.01	Nil

In view of the loss, your Directors regret their inability to recommend dividend.

THE YEAR IN RETROSPECT

The year 2000 was a challenging year for the country as the industrial slowdown once again set in and economy continued to limp under demand slackness.

Non-Banking Finance Companies (NBFCs) faced intense competition from banks, financial institutions, multinational companies and your Company was no exception to this. The distinction between banks and NBFCs has become a very thin line and they are now subject to comprehensive regulations. High levels of Non-performing Assets (NPAs) continued to be a major concern for the financial sector. Our present legal systems are complicated and cumbersome which lead to enormous loss of time, efforts and resources. A well-laid mechanism is, therefore, required to be made available to NBFCs to ensure expeditious recovery of debts and adequate powers to NBFCs to effect repossession of assets and resale on similar lines as applicable to banks.

The high cost of funds, thin margins and increased business risks have been major reasons for zero business level in the year under consideration. As your Company was not able to compete with other players in the industry viz., multinational companies and banks, it was decided to focus on recoveries. The loss on account of higher quantum of NPAs and

provisioning as per the stipulated norms is higher as compared to the previous year ended December 1999. The lacunae in the existing legal system and escalating defaults have put more strain on your Company's resources. All these factors have forced your Company to relook at the entire business strategy.

Your Company has initiated steps to reduce operating cost by tightening of expenses. Focussing on daunting task of recoveries by leveraging on existing expertise and increasing the productivity efficiency was the mantra for the year.

Your Company has stopped accepting fresh public deposits since September 1998, considering the high cost and decided to prepay the same. Public deposits outstanding at the year end stood at Rs.6.14 crores as against Rs.81.30 crores at the previous year end. The Company has successfully prepaid all public deposits and the balance unclaimed deposits have also been provided for in an escrow account opened in a bank.

FUTURE OUTLOOK

Subdued demand for commercial vehicles, personal vehicles, higher quantum of NPAs, high cost of funds, thin margins, increased business risks as well as downtrodden economic scenario have been the major factors for your Company to take a conscious decision not to disburse further.

Your Company has taken initiative towards settlement process with the creditors. We hope to complete this process as early as possible.

Our efforts are on to complete the commercial complex at Bandra-Kurla at the earliest and we wish to inform the shareholders that except the finishing touches, the building is almost ready.

SUBSIDIARIES

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts, along with the report of the Board of Directors of Apple Asset Management Limited and Apple Granites Limited and the respective Auditors' Report therein, are annexed.

During the year under review, Infinity.Com Financial Securities Limited ceased to be a subsidiary of your Company.

DIRECTORS

As part of overall strategy of inducting professionals at the Board level, Mr. Gajendra Raj Abani, Mr. T. K. R. Chary, Mr. V. Venkataramani and Mr. Premal K. K. have been appointed Executive Directors.

Mr. V. Gopalakrishnan has been appointed Managing Director.

Dr. A. C. Shah, Mr. H. P. Nag Chowdhury, Mr. K. C. Sodhia, Mr. Vivek G. Chaubal, Mr. V. K. Kumar and Mr. A. K. T. Janak have resigned as Directors. The Board places on record its appreciation of the services rendered by them.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited accounts containing the financial statements for the year ended December 31, 2000 are in full conformity with the requirements of the Companies Act, 1956 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These financial statements are audited by the Statutory Auditors Messrs Mahendra Kumbhat & Associates, Chartered Accountants.

Your Directors further confirm that:

- (a) in the preparation of the annual accounts, applicable accounting standards have been followed.
- (b) the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) that the Directors have prepared the annual accounts on a going concern basis.

The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed.

DEPOSITORIES

Effective May 8, 2000, the equity shares of your Company have been mandated by Securities & Exchange Board of India for settlement only in demat form by all institutions and investors.

Your Company has already entered into arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited for custody and dematerialization of securities in accordance with the Depositories Act, 1996.

Your Company has opted for the scheme of one-time payment of custody fee charges, offered by NSDL. Accordingly, NSDL does not charge any custody fees to the Depository Participants for the dematerialized securities of the Company.

At present, about 61% of the paid-up equity share capital of the Company is held in dematerialized form.

FIXED DEPOSITS

As the Company has issued notice of prepayment to the fixed depositors, all the live fixed deposits have been treated as unclaimed deposits and as such as on December 31, 2000, 4070 fixed deposits aggregating Rs.6.14 crores remained unclaimed, out of which 1078 deposits aggregating Rs.3.52

crores have since been repaid. Suitable steps are being taken to elicit responses from the remaining depositors.

AUDITORS

Messrs Mahendra Kumbhat & Associates, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing annual general meeting. The Company has received a letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

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 in clause No.2 (f) of their report, attention of the members is invited to Note Nos.4 (a), 4 (b) and 5 of Schedule "P" to the Annual Accounts, which are self-explanatory.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

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.

As regards foreign exchange earnings and outflow, details have been shown in Note Nos.17 and 18 of Schedule "P" to the Annual Accounts.

EMPLOYEE RELATIONS

The relations with the employees at all the locations continued to be cordial.

ACKNOWLEDGEMENTS

Your Directors wish to express their gratitude to the shareholders, depositors, debentureholders, bankers and financial institutions for their support. They also wish to acknowledge the spirit of dedication, commitment and co-operation extended by our employees at all levels.

For and on behalf of the Board

V. Gopalakrishnan
Managing Director

Place : Mumbai

Date : March 31, 2001

APPLE FINANCE LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended December 31, 2000.

Sr. No.	Name	Age (Years)	Designation	Gross Remuneration Received (Rs.)	Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment Held, Designation, Period (Years)
EMPLOYED THROUGHOUT THE YEAR							
1	A.K.T. Janak	51	Managing Director	2,156,748	B.Sc.,PG.D.M. (28)	01-Apr-93	Canara Bank, Vice President - Canbank Financial Services Ltd.(3)
2	V . Gopalakrishnan	43	Executive Director	844,143	B.Com. (22)	07-Mar-94	Ashok Leyland Ltd. Branch Manager (5)
3	Vivek G. Chaubal	42	Executive Director	1,178,976	B.Com. (Hons), L.L.B. (Gen), A.C.A. (18)	17-Feb-92	20th Century Kinetic Finance Limited, Manager-Finance (1)
EMPLOYED FOR PART OF THE YEAR							
1.	Arnab Datta	39	Sr.Vice President	148,305	B.Tech.,PG.D.M. (IIM-A) (16)	01-Sep-94	Escorts Financial Services Ltd., Regional Head-East (3)

Notes :

- (1) Remuneration includes salary, all allowances, Company's contribution to Provident and Superannuation fund and taxable value of perquisites and allowances.
- (2) None of the above employees is related to any Director of the Company.

Report  junction.com