



APPLE FINANCE LIMITED

28TH ANNUAL REPORT 2013-2014

CONTENTS

| | Pg. No. |
|----------------------------------|---------|
| Apple Finance Limited | 1 |
| Consolidated Financial Statement | 29 |

REGISTERED OFFICE

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

BOARD OF DIRECTORS

| | |
|---------------------------|---------------------|
| Mr. Mahesh K. Rachh | (Managing Director) |
| Mr. Mahesh Raghavan Menon | (Director) |
| Mr. Mahendra S. Shah | (Director) |

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

APPLE FINANCE LIMITED

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.

APPLE FINANCE LIMITED

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:-

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now, enter your User ID
 - For CDSL: 16 digits beneficiary ID.
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next, enter the Image Verification as displayed and click on Login.
- 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.
- 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. |

- After entering these details appropriately, click on "SUBMIT" tab.
- 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
Tel.: 91 22 2288 6100 Fax: 2288 6106
CIN: L65910MH1985PLC037767
Email: info@applefinance.co.in
www.applefinance.co.in

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 |