

DIRECTORS' REPORT

TO : THE MEMBERS OF APPLE CREDIT CORPORATION LIMITED

Your Directors present herewith the 23rd Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

The financial highlights for the year under review are as follows:

	(Rupees in lacs)	
	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Profit / Loss before Int., Depreciation and Tax	113.52	103.10
Less: : Depreciation	1.39	2.30
Profit / Loss before Tax	112.13	100.80
Add : Provision for Non Performing assets	NIL	Nil
Less : Fringe Benefit Tax	NIL	0.04
Profit / Loss after Int., Depreciation and Tax	112.13	100.76
Balance in Profit & Loss Account b/f (Loss)	(29961.75)	(30062.51)
Balance in Profit & Loss Account c/f (Loss)	(29849.62)	(29961.75)

OPERATIONS

There were no disbursements during the year under review. The Company has Continued its efforts for recovery of overdues.

DIVIDEND

On account of accumulated loss, your Directors are not in a position to recommend any Dividend.

FIXED DEPOSITS

Your Company has no outstanding Deposits as all Unclaimed Deposits in the Company have been transferred to Government A/c as per Companies Act 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the Loss of the Company for the year ended 31st March 2011
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A separate Report on Corporate Governance is produced as a part of this Annual Report along with the Auditors Statement, on its compliance as prescribed under the amended Listing Agreement of the Stock Exchanges with which your Company share is listed.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE

Your Company has no activity relating to these areas during the period under review.

DIRECTORS

Mr.J S Narayana who retires by rotation and being eligible offers himself for re-election.

Mr. D. Harold appointment as "Manager" u/s 269 of the Companies Act 1956, ceases on 31.03.11. He has again been appointed as "Manager" u/s 269 of the Companies Act 1956, for a further period of 2 years i.e.01.04.2011 to 31.03.2013

AUDITORS

The Company's Auditors M/s Brahmayya & Co, Chartered Accountants, Chennai will retire at the ensuing Annual General meeting and being eligible have offered themselves for re-appointment and the requisite certificate u/s 224 (1) (b) of the Companies Act, 1956 has been obtained from them for this purpose.

With regard to qualification 1 (c) in Annexure to Auditors Report, the Notes (1) Schedule "M" " Notes on Accounts "are self explanatory.

PARTICULARS OF PERSONNEL

The particulars of employees as required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 is not applicable to the Company as there were no employees drawing remuneration in excess of the limits specified under the said rules..

ACKNOWLEDGEMENT

Your Directors wish to express their gratitude to the Shareholders and Bankers for their support.

For and on behalf the Board

Jayanty Ramakrishna Sarma
Director

JS Narayana
Director

K Elangovan
Director

Place : Chennai
Date : 30th May 2011

CORPORATE GOVERNANCE

INTRODUCTION

The Securities and Exchange Board of India has introduced a Code of Corporate Governance for implementation by listed companies.

The report for the year 2010--2011 is as follows:

I. BOARD OF DIRECTORS:

A) The Constitution of the Board as on March 31, 2011

<u>Director</u>	<u>Brief Resume</u>	Directorships held (excluding alternate directorship and directorship in private Ltd. Company as on <u>31.03.11</u>)
Jayanty Ramakrishna Sarma	ACS, AICWA	Amity Corporate Services
Dr. J S Narayana	M.Sc.(Tech) Ph.d.	Nil
K Elangovan	M.A. M.L.	Nil

B) Attendance Record of the Directors :

15 Board meetings were held during the period April 1, 2010 to March 31, 2011:

They were held on 29.04.10, 24.05.10, 28.06.10 ,30.07.10 ,23.08.10, 17.09.10, 29.09.10, 30.10.10, 08.11.10, 27.11.10 ,29.12.10, 28.01.11,02.02.11 ,28.02.11 and 23.03.11

The attendance record of all Directors is as under:

Director	No. of Board meetings Attended	meetings Sitting fees Rs.	Attendance at Last AGM
Jayanty Ramakrishna Sarma	15	19500	yes
J S Narayana	6	9000	yes
K Elangovan	15	19500	yes

II. MANAGER u/s 269 of the Companies Act.:

Mr. D.Harold was appointed as Manager u/s 269 of the Companies Act 1956 ,for a period of 1 year with effect from 1st April 2010. He has again been appointed as Manager u/s 269 of the Companies Act 1956, for a further period of 2 years i.e.01.04.2011 to 31.03.2013.

III. COMMITTEES OF THE BOARD:

A) AUDIT COMMITTEE:

As per SEBI regulations and Listing Agreements, a qualified and Independent Audit Committee was formed with minimum 3 Directors as members . All the members of the Audit Committee are Independent Directors to consider the Accounts and other related matters .

B) SHARE TRANSFER COMMITTEE:

13 Share Transfer committee meetings were held during the period April 1, 2010 to March 31, 2011.

They were held on 29.04.10, 24.05.10, 28.06.10 ,30.07.10 ,23.08.10,17.09.10, 29.09.10, 30.10.10, 27.11.10 ,29.12.10, 28.01.11, 28.02.11 and 30.03.11

The attendance record of all members in the Committee is as under:

Member	No. of Committee Mtg. Attended
Jayant Ramakrishna Sarma	13
J S Narayana	6
K Elangovan	13

The committee deals with matters relating to :

- Transfer /Transmission of shares
- Issue of duplicate share certificates
- Review of shares dematerialised
- All other matters related to shares
- Investors' Grievances

C) SHARE HOLDERS/INVESTORS' GRIEVANCE COMMITTEE:

As per SEBI regulations and Listing Agreements, a qualified and Independent Share Holders' Grievance Committee was formed with minimum 3 Directors as members. This committee looks into Investor Grievances and all Grievances were placed in the meetings during the year.

No of Grievances Received	No. of Grievances Redressed	No. of Grievances pending for redressal
38	38	nil

SHARE HOLDER INFORMATION:

Annual General Meeting : 23rd Annual General Meeting

Date & Time : 28.09.2011 at 11.30a.m.

Venue : " Hall of Ragas "

Book Closure Date : 20.09.2011 to 28.09.2011(both days inclusive).

The Company's Financial year is based on 4 periods comprising of 3 months per period :

Period

Board meeting to approve the Quarterly financial results

Annual Results (Audited)

Last week of May 2011

Unaudited First Quarter Results
(subject to limited review by Auditors)

First week of August 2011

Unaudited Second quarter Results
(subject to limited review by Auditors)

Last week of October 2011

Unaudited third Quarter Results
(subject to limited review by Auditors)

Last week of January 2012

Audited Fourth Quarter Results
(subject to limited review by Auditors)

Last week of May 2012

Registered Office :

Gokul Arcade, I floor,. 2 Sardar Patel
Road, Adyar, Chennai 600 020

Listing of Equity Shares on Stock Exchanges :

The Madras Stock Exchange .

Listing fees as prescribed has been paid upto year 2011-2012 to Madras Stock Exchange.

Applied for Restoration of Listing with Mumbai Stock Exchange. Necessary Listing fees have already been paid to them. for 2011-2012 will be listed in BSE shortly

Application for delisting at the Stock Exchanges in Delhi, Vadodra and Calcutta is pending for approval. Delisting has been sought as per members approval obtained at the AGM held on 24.07.02.

<u>Stock Exchange</u>	<u>Stock Code</u>
-----------------------	-------------------

Madras Stock Exchange	ACE
-----------------------	-----

Stock Price Data:

Madras Stock Exchange (MSE)-Not quoted on any day during the year.

Registrar & Transfer Agents :

M/s Integrated Enterprises (India) Ltd
2nd floor, "Kences Towers"
1, Ramakrishna Street, North Usman Rd
T Nagar, Chennai 600 017

Share Transfer System :

Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agent within 30 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. The Share Transfer Committee meets generally once in 3 weeks to consider the transfer proposals. All requests for dematerialisation of shares are processed and the confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL) within 15 days :

Distribution of share holding as on 31.3.2011

S.No	Category	No. of share Holders	No. of Shares	% of Holding
01	Upto 500 SHARES	30174	3600244	18.54
02	501-1000	560	461824	2.38
03	1001-2000	243	369071	1.90
04	2001-3000	94	239777	1.23
05	3001-4000	33	119122	.61
06	4001-5000	21	98150	.51
07	5001-10000	38	269811	1.39
08	Above 10001	33	14258668	73.44
	TOTAL	31196	19416667	100.00

Categories of share holding as on 31.3.2011

S.No	Category	No.of share Holders	% of holders	No. of Shares	%of shares
01	Banks	9	0.029	5917267	30.475
03	Body Corporates	201	0.644	2957224	15.236
04	Clearing Members	11	0.035	2100	0.011
05	Directors	1	0.003	1400	0.007
06	Mutual Fund	2	0.006	1000	0.005
07	NRI	91	0.292	12050	0.062
08	Resident Indian	30878	98.981	10286026	52.970
09	TRUSTS	3	0.010	239600	1.234
	TOTAL	31196	100.00	19416667	100.000

Dematerialisation of shares and liquidity:

1,25,96,438 shares out of total Equity Capital of 1,94,16,667 shares are held in dematerialised form with NSDL and CDSL as on March 31, 2011. Trading in Equity shares of the company is permitted only in dematerialised form with effect from February 1998 as per notification issued by the Securities and Exchange Board of India (SEBI).

Address for Correspondence:
(Share Transfer Agent)

M/s Integrated Enterprises (India) Ltd
2nd floor, "Kences Towers"
1, Ramakrishna Street, North Usman Rd
T Nagar, Chennai 600 017

OTHER DISCLOSURES:

1. Details of Annual/Extraordinary General Meetings:

Location and time of General Meetings held in last 3 years:

Year	Meeting	Location	Date	Time
2010	AGM	Hall of Ragas, Adyar, Chennai	17.09.2010	12.05 Noon
2009	AGM	Hall of Ragas, Adyar, Chennai	17.09.2009	12.05 Noon
2008	AGM	Hall of Ragas, Adyar, Chennai	29.08.2008	12.05 Noon

AUDITORS' REPORT ON CORPORATE GOVERNANCE:

The Board of Directors
Apple Credit Corporation Ltd
Gokul Arcade, 2 Sardar Patel Rd
Chennai 600 020

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2011 with the relevant records and documents maintained by the Company, furnished to us for our view and the report on Corporate Governance as approved by the Board of Directors.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

For BRAHMAYYA & CO
Chartered Accountants

N. Srikrishna
Partner
Membership No. 26575

Place: Chennai
Date : 30.05.2011