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APPLE FINANCE LIMITED

23RD ANNUAL REPORT 2008 - 2009

APPLE FINANCE LIMITED

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REGISTERED OFFICE

8 Apeejay House
130 Mumbai Samachar Marg
Mumbai 400 023

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

23RD ANNUAL GENERAL MEETING

On Tuesday, September 29, 2009
at 3.00 p.m.
at M. C. Ghia Hall,
Bhogilal Hargovindas Building,
Floor 2, 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 0300 / 6772 0400
Fax: 2859 1568 / 2850 8927



NOTICE

NOTICE is hereby given that the twenty-third Annual General Meeting of the members of Apple Finance Limited will be held on Tuesday, September 29, 2009 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 2, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009, audited Profit and Loss Account for the year ended as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh Raghavan Menon, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Messrs Mahendra Kumbhat & Associates, Chartered Accountants, the retiring Auditors, as the Auditors of the Company, and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the approval of the Company be and is hereby accorded to the effect that the registers and indices of Members and Debentureholders and copies of Annual Returns under Section 159 of the Act together with copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them be kept at the offices of Sharepro Services (India) Private Limited at 13AB, Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.”

By Order of the Board of Directors

P. B. Deshpande
Company Secretary

Registered Office:
8 Apeejay House
130 Mumbai Samachar Marg
Mumbai 400 023
Date: July 31, 2009

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 of the Company.

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 No.4 as set out above, is annexed hereto.

3. Members are requested to notify the change, if any, in their address to the Registrar and Transfer Agents of the Company.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2009 to Tuesday, September 29, 2009 (both days inclusive).

5. Members / Proxies should bring the attendance slip sent herewith duly filled out for attending the meeting.

6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

7. The Company has transferred all the unclaimed amounts of dividends to the General Revenue Account/Investor Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.

8. Members who hold shares in the 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 by filling Form 2B. Company's Registrar and Transfer Agents on request will supply blank forms. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.

9. Shareholders are requested to bring their copy of Annual Report to the Meeting.

Annexure to the Notice

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

Item No. 4

Under the provisions of the Companies Act, 1956 (“the Act”), certain documents such as the registers and indices of Members and

APPLE FINANCE LIMITED

Debentureholders, other related books and papers etc. are required to be kept at the Registered Office of your Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of your Company is situate, with the approval of the Members to be accorded by a Special Resolution.

Sharepro Services (India) Private Limited are our Registrar and Share Transfer Agent ("RTA"), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Therefore, approval of the Members is sought in terms of Section 163(1) of the Act, for keeping the aforesaid registers and documents at the premises of the RTA as stated in the resolution.

The Board recommends the resolution as set out in the Notice for

your approval.

None of the Directors of the Company is interested in the Special Resolution.

By Order of the Board of Directors

P. B. Deshpande
Company Secretary

Registered Office:

8 Apeejay House
130 Mumbai Samachar Marg
Mumbai 400 023

Date: July 31, 2009

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DIRECTORS' REPORT

Your Directors present their twenty-third Annual Report on the business and operations of your Company and the audited financial accounts for the year ended March 31, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial results of your Company for the year ended March 31, 2009 as compared to the previous year are summarized below:

	Year ended 31.03.2009	Rs. lacs Year ended 31.03.2008
Gross Income	9942.41	19.58
Profit / (Loss) before Depreciation and		
Taxation	8413.55	(392.23)
Less: Depreciation	23.86	24.55
Profit / (Loss) before Taxation	8389.69	(416.78)
Provision for Taxation	1.87	1.93
Net Profit / (Loss) after Taxation	8387.82	(418.70)

The Company continued its focus on recovery of dues. Efforts have been made to control the operational expenses, wherever possible.

During the year under review, your Company successfully settled its debts to the Debentureholders, Working Capital lenders and others out of the proceeds realized from its immovable property viz., Apple Tower at Bandra-Kurla Complex, Mumbai. The resources generated by sale of the said property have been fully utilized for settling the debts of the Company to its creditors.

Owing to the restrained resources, your Directors regret their inability to recommend Dividend.

The Management is exploring various options to embark on business activities, which offer potential for profitable growth.

SUBSIDIARY

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 the Auditors' Report therein, are annexed.

Further, pursuant to Accounting Standard 21 (AS 21) as notified by the Companies (Accounting Standard) Rules, 2006, the Consolidated Financial Statements presented by the Company include the financial information about its subsidiary.

DIRECTORS

Mr. Mahesh Raghavan Menon retires by rotation and being eligible, offers himself for reappointment.

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting, nature of his expertise in specific functional areas, and the names of companies in which he holds directorship and/or membership/ chairmanship of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, is given in the section on Corporate Governance elsewhere in the Annual Report.

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 year ended March 31, 2009, 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 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, 2009 on a 'going concern' basis.

GROUP

Pursuant to the intimation from the Promoters, the names of the Promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices Act, 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

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.

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 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, over 72% of the paid-up equity share capital of the Company is held in dematerialized form.

FIXED DEPOSITS

The entire unclaimed deposits have been provided for in the escrow accounts maintained with a scheduled bank. As on March 31, 2009, 1,177 fixed deposits aggregating Rs.106.66 lacs remained unclaimed, out of which 2 deposits aggregating Rs.0.15 lacs have since been repaid. Suitable steps are being taken to elicit responses from the remaining depositors.

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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 and that they are not disqualified for such reappointment within the meaning of Section 226 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 sub-clause (a) and (b) of Clause No. (vi) of their Report, attention of the members is invited to Note Nos.1 and 12 of Schedule "P" 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, debentureholders, bankers and financial institutions 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: July 31, 2009

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Limited)

I. Company's Philosophy:

The Company is committed to adopt the best practices in the area of Corporate Governance and endeavours to ensure transparency in its operations to protect the interest of the shareholders.

The Company respects the right of its shareholders to secure information on the performance of the Company.

The Compliance Report is prepared and given below in conformity with the mandatory requirements of the Listing Agreement with Bombay Stock Exchange Limited.

II. Board of Directors:

A. Composition, category of Directors and their other directorship and committee memberships as on July 31, 2009:

Name of the Director	Category of Directorship	No. of other Directorship held in other Companies	No. of other Membership
Mr. Mahesh K. Rachh	Executive Director (Managing Director)	4	Nil
Mr. Mahesh Raghavan Menon	Director (Non-Executive and Independent Director)	2	Nil
Mr. Mahendra S. Shah	Director (Non-Executive and Independent Director)	Nil	Nil

The Company does not have a designated Chairman.

The Code stipulates that the Company shall have an optimum combination of Executive and Non-Executive Directors with not less than fifty percent of the Board of Directors comprising of Non-Executive Directors. The number of independent Directors would depend whether the Chairman is Executive or Non-Executive. In case of Non-Executive Chairman, at least one-third of Board should comprise of independent Directors and in case of Executive Chairman, at least half of Board should comprise of independent Directors.

Due to the precarious financial position of the Company almost for the past decade and the consequent defaults in its obligation to banks, financial institutions and debentureholders, except Mr. Mahesh Raghavan Menon and Mr. Mahendra S. Shah, all the Non-Executive Directors have resigned from the Board. However, the Management now looks forward to invite best persons from the industry to join the Board of the Company.

Eight meetings of the Board of Directors were held during the financial year ended March 31, 2009. The dates on which the meetings were held are as follows:-

June 30, 2008, July 31, 2008, August 30, 2008, October 31, 2008, November 28, 2008, January 30, 2009, February 28, 2009 and March 28, 2009.

The attendance of the Directors at Board meetings and at the last

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Annual General Meeting is given below:

Name of the Director	Board meetings attended	Attendance at the last Annual General Meeting held on September 30, 2008
Mr. Mahesh K. Rachh	8	Present
Mr. Mahesh Raghavan Menon	8	Not Present
Mr. Mahendra S. Shah	8	Not Present

B. Remuneration to Directors for the year 2008-2009:

Name of Directors	Salary and Allowances (Rs.)	Contribution to Provident Fund and Superannuation Fund (Rs.)	Sitting Fees (Rs.)
Mr. Mahesh K. Rachh	8,62,571	1,42,560	Nil
Mr. Mahesh Raghavan Menon	Nil	Nil	12,000
Mr. Mahendra S. Shah	Nil	Nil	12,000

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

Mr. Mahesh Raghavan Menon, aged 45, has been the Director of the Company since March 2004. Mr. Menon has been in legal profession since October 1987 and has been actively practicing law. He is the proprietor of the law firm M/s. Mahesh Menon & Co., Advocates. This firm handles all civil and criminal legal matters and is listed in the panels of several banks in India. Mr. Menon is also the Director of Trygghet Financial Services Limited and Apple Asset Management Limited.

III. Audit Committee:

The Code stipulates that the Company shall set up a qualified and independent Audit Committee comprising three members all being Non-Executive Directors, with the majority of them being independent, and with at least one Director having financial and accounting knowledge.

As explained in the preceding clause, the Company at present has two Non-Executive independent Directors on the Board, none of them has financial and accounting knowledge, and as such, the Company has not been able to constitute an Audit Committee as required under the Code.

IV. Remuneration Committee:

The Company does not have a Remuneration Committee.

V. Shareholders Committee:

The Code stipulates that a Board Committee under the Chairmanship of a Non-Executive Director shall be formed to specifically look into the redressing of shareholders' and investors' complaints.

Accordingly, the Company has duly constituted a shareholders'/ Investors' Grievance Committee, which is headed by the independent Non-Executive Director, Mr. Mahendra S. Shah to attend and address the grievances of the shareholders/investors as and when received. 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 Complaints	Received	Cleared	Pending
Non-receipt of share certificates	Nil	Nil	Nil
Non-receipt of dividend/ interest warrant	4	4	Nil
Others/miscellaneous	6	6	Nil
Total	10	10	Nil

There was no transfer of shares pending as on March 31, 2009.

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 company of the Company. Mr. Mahesh R. 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
22 nd Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 2, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 30, 2008	3.00 p.m.
21 st Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 2, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 24, 2007	3.00 p.m.
20 th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 2, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 25, 2006	3.00 p.m.

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

Financial Year	Meeting	Date	Time	No. of Special Resolutions passed
2005-2006	20 th AGM	25.9.2006	3.00 p.m.	1
2006-2007	21 st AGM	24.9.2007	3.00 p.m.	1
2007-2008	22 nd AGM	30.9.2008	3.00 p.m.	1

APPLE FINANCE LIMITED

VIII. Disclosures:

The Company has not entered into any transaction of a material nature with the promoters, the Directors, the management, subsidiaries or relatives, etc., that may have any potential conflict with the interests of the Company. Transactions with related parties are disclosed in Note No. 11 of Schedule 'P' to the accounts in the Annual Report.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures passed on the Company by the Stock Exchanges, 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 does not have its own website. The Company, however, posts information relating to its financial results on the Electronic Data Information Filing and Retrieval System (EDIFAR) at www.edifar.com as required by Bombay Stock Exchange Limited. 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 29, 2009 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 2, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001
- Financial Calendar : 1st April to 31st March
- Adoption of Quarterly Results for the quarter ending : 4th week of
- June 30, 2009 : July 2009
- September 30, 2009 : October 2009
- December 31, 2009 : January 2010
- March 31, 2010 : June 2010
- Date of Book Closure : September 23, 2009 to September 29, 2009 (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 Bombay Stock Exchange Limited (the Regional Stock Exchange), The Stock Exchange, Ahmedabad, The Calcutta Stock Exchange Association Limited, The Delhi Stock Exchange Association Limited, Vadodara Stock Exchange Limited and Madras Stock Exchange Limited.
The Company has paid the annual listing fees only to Bombay Stock Exchange Limited for the financial year 2009-2010. The Company has not paid the annual listing fees to the other five Stock Exchanges since

it has applied for delisting of its equity shares from the said five Stock Exchanges.

• Stock Code : 500014 on Bombay Stock Exchange Limited.

• ISIN Number for NSDL and CDSL : INE096A01010

• Market Price Data : The high and low prices of every month during the financial year 2008-2009 are given below.

Year 2008-2009	High (Rs.)	Low (Rs.)
April	11.00	6.13
May	8.74	6.55
June	6.88	5.38
July	5.68	4.86
August	5.20	4.52
September	5.09	2.87
October	3.41	1.72
November	3.38	2.14
December	2.83	2.10
January	2.71	1.96
February	2.20	1.96
March	1.95	1.37

• Registrar and 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 0300, 6772 0400 •
Fax: 2859 1568 2850 8927
Contact Persons: Mrs. Indira 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) Pvt. Ltd. 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 Bombay Stock Exchange Limited.

• Distribution of Shareholding as on March 31, 2009:

Shareholding	No. of Folios	% of Total	No. of Shares	% of Total
1-500	123453	93.79	18149769	32.60
501-1000	4935	3.75	3953696	7.10
1001- 2000	1774	1.35	2788504	5.01
2001- 3000	468	0.36	1214968	2.18
3001- 4000	205	0.15	750859	1.35
4001- 5000	264	0.20	1281288	2.30
5001- 10000	291	0.22	2259038	4.06
10001 and above	234	0.18	25275000	45.40
Total	131624	100.00	55673122	100.00

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- 72.28% of the equity share capital has been dematerialized up to March 31, 2009.
- Categories of Shareholding as on March 31, 2009:

Category	No. of shares held	Percentage of Shareholding
Promoters	14241306	25.58
Mutual Funds and UTI	13415	0.02
Banks, Financial	15580	0.03
Institutions and Insurance Companies		
FII's	200	0.00
Private Corporate Bodies	3546710	6.37
Indian Public	33512796	60.20
NRIs/OCBs	1026106	1.84
Trusts	3317009	5.96
TOTAL	55673122	100.00

- Group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969.

The following entities constitute the Group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969, which exercises, or is established to be in a position to exercise, control, directly or indirectly, over the Company:-

Ace Leasing Private Limited

Adamica Consultancy Services Limited

Overseer Investments Private Limited

Vrushchik Consultancy Services Private Limited

The above disclosure has been made, *inter alia*, for the purpose of Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997.

- Address for correspondence:-**

The Company Secretary

8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023

Email add: apple.investors@gmail.com

MANAGING DIRECTOR'S CERTIFICATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT WITH BOMBAY STOCK EXCHANGE LIMITED

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

- I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:-
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 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.
- To the best of my knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal or violative of the Company's Code of Conduct.
- I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors deficiencies in the design or operation of internal

controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

- I have indicated to the Auditors:-

- significant changes in internal control during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

Mahesh K. Rachh

Managing Director

Place: Mumbai

Date: July 31, 2009

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 declare that as per the requirement of Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, all the Board Members and the Senior Management Personnel of the Company have confirmed compliance with the Code of Conduct of Apple Finance Limited for its Directors and Senior Management, for the year ended March 31, 2009.

Mahesh K. Rachh

Managing Director

Place: Mumbai

Date: July 31, 2009

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 conditions of Corporate Governance by Apple Finance Limited ("the Company") for the year ended March 31, 2009, as stipulated in Clause 49 of the Standard Listing Agreement of 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 to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, since the Company has only two Non-Executive Directors on its Board, the Company is unable to comply with the conditions of Corporate Governance and accordingly, we certify that the Company has not complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Standard Listing Agreement of the Stock Exchanges.

For **MAHENDRA KUMBHAT & ASSOCIATES**

Chartered Accountants

Amar Chand Bagrecha

Partner

Place: Mumbai

Date: July 31, 2009

APPLE FINANCE LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, GIVING REQUISITE PARTICULARS OF THE SUBSIDIARY COMPANY

1. Name of the subsidiary company	Apple Asset Management Limited
2. Financial year	01.04.2008 to 31.03.2009
3. Extent of holding company's interest	
a. No. of equity shares	5,000,000
Extent of holding	100%
b. No. of preference shares	6,200,000
Extent of holding	100%
4. Net aggregate amount (in rupees) of the subsidiary's profit after deducting its losses or vice versa so far as it concerns members of the holding company	
- Profits / (losses) not dealt within holding company's accounts	
a. for the financial year of the subsidiary	(13,116,568)
b. for the previous financial years since it became the holding company's subsidiary	(89,409,521)
- Profits dealt with or (losses) provided for in the holding company's accounts	
a. for the financial year of the subsidiary	-
b. for the previous financial years since it became the holding company's subsidiary	-

Place : Mumbai
Date : July 31, 2009

Mahesh K. Rachh
Managing Director

Mahendra S. Shah
Director

Mahesh Menon
Director

P. B. Deshpande
Company Secretary