



APPLE FINANCE LIMITED

25TH ANNUAL REPORT 2010 - 2011

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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

25TH ANNUAL GENERAL MEETING

On Wednesday, September 28, 2011
at 3.00 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

APPLE FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Twenty-fifth Annual General Meeting of the members of Apple Finance Limited will be held on Wednesday, September 28, 2011 at 3.00 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 receive, consider and adopt the audited Balance Sheet as at March 31, 2011, 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 K. Rachh, 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 modification, as an Ordinary Resolution, the following:

“RESOLVED THAT the reappointment of Mr. Mahesh K. Rachh as the Managing Director of the Company subject to Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and also subject to the approval of the Central Government, if required, for a period of one year with effect from August 9, 2011 made by the Board of Directors (“the Board”) of the Company vide its resolution dated June 30, 2011 and the remuneration payable to Mr. Mahesh K. Rachh 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. Mahesh K. Rachh, Managing Director 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

P. B. Deshpande
Company Secretary

Registered Office:

8 Apeejay House
130 Mumbai Samachar Marg
Mumbai 400 023
Date: June 30, 2011

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 21, 2011 to Wednesday, September 28, 2011 (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 as well as public deposits and interest thereon to the 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

As the current period of appointment of Mr. Mahesh K. Rachh as the Managing Director of the Company will expire on August 8, 2011, the Board of Directors (“the Board”) has in its meeting held on June 30, 2011 reappointed Mr. Mahesh K. Rachh as the Managing Director of the Company.

The main terms of reappointment, remuneration etc. of Mr. Mahesh K. Rachh as the Managing Director are as under, which are subject to the approval of the members of the Company.

Term – 1 (one) year with effect from August 9, 2011, 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 Rs.18,00,000 (Rupees eighteen lacs 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:

- 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. 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 XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force.

Except Mr. Mahesh K. Rachh, none of the Directors has any concern or interest in the aforesaid resolution.

The Board commends the resolution for acceptance by the members. This may also be treated as an abstract of the terms and conditions of the benefits/remuneration payable to Mr. Mahesh K. Rachh as the Managing Director of the Company under Section 302 of the Companies Act, 1956.

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: June 30, 2011

APPLE FINANCE LIMITED

DIRECTORS' REPORT

Your Directors present their twenty-fifth Annual Report on the business and operations of your Company and the audited financial statements for the year ended March 31, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial results of your Company for the year ended March 31, 2011 as compared to the previous year are summarized below:

	Year ended 31.03.2011	Rs. lacs Year ended 31.03.2010
Gross Income	712.38	1329.68
Profit / (Loss) before Depreciation		
And Taxation	531.84	914.42
Less: Depreciation	22.42	23.89
Profit / (Loss) before Taxation	509.42	890.53
Provision for Taxation	0.08	0.40
Net Profit / (Loss) after Taxation	509.34	890.13

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.

Owing to the accumulated loss and 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 for the year ended March 31, 2011 along with the report of the Board of Directors of the subsidiary company, 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 K. Rachh 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 annexed to 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:-

- a) in the preparation of the accounts for the year ended March 31, 2011, the applicable accounting standards have been followed

along with proper explanation relating to material departures.

- b) 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.
- c) 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.
- d) the Directors have prepared the accounts for the year ended March 31, 2011 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 have been 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

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, over 72% 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 overdue deposits as on March 31, 2011.

AUDITORS

Messrs Mahendra Kumbhat & Associates, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and, being eligible, have expressed their willingness to continue, if so appointed.

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 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 : June 30, 2011

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 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 directorship and committee membership as on June 30, 2011:-

Name of the Director	Category of Directorship	No. of other Directorship held in other Companies	No. of other Committee Membership
Mr. Mahesh K. Rachh	Managing Director (Executive Director)	3	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.

Four meetings of the Board of Directors were held during the financial year ended March 31, 2011. The dates on which the Board meetings were held are as follows:-

May 31, 2010, August 13, 2010, November 12, 2010 and February 11, 2011.

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 28, 2010
Mr. Mahesh K. Rachh	4	Present
Mr. Mahesh Raghavan Menon	4	Present
Mr. Mahendra S. Shah	4	Not Present

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B. Remuneration to Directors for the year 2010-2011:-

Name of Directors	Salary and Allowances (Rs.)	Contribution to Provident Fund and Superannuation Fund (Rs.)	Sitting Fees (Rs.)
Mr. Mahesh K. Rachh	9,10,850	1,42,560	Nil
Mr. Mahesh Raghavan Menon	Nil	Nil	6,000
Mr. Mahendra S. Shah	Nil	Nil	6,000

There are no service contracts executed with the Directors and they have been appointed pursuant to the resolutions passed at the General Meetings.

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

Mr. Mahesh K. Rachh, aged 54, has been the Director of the Company since August 2001 and has over twenty-three years' corporate experience in various fields including financial services area. Mr. Rachh is B.A., LL.B. from the University of Mumbai. He is also on the Board of Apple Housing Limited, Apple Housing Finance Limited and Ambit Hospitalities Private Limited.

III. Audit Committee:-

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

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Committee meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of the Auditors and reviews accounting policies followed by the Company. The Committee makes recommendation(s) to the Board on any matter relating to the financial management of the Company including Statutory Audit Reports. The Committee also recommends the appointment of the Statutory Auditors and fixation of their remuneration.

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

The Audit Committee comprises three Directors viz., Mr. Mahesh K. Rachh, Mr. Mahesh Raghavan Menon and Mr. Mahendra S. Shah. The Chairman of the Audit Committee is Mr. Mahesh Raghavan Menon. All the Members of the Audit Committee are financially literate and have relevant financial expertise. The quorum for the Audit Committee meeting is two members with at least two independent Directors present at the meeting.

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

During the financial year ended March 31, 2011, the Audit Committee met four times i.e. on May 31, 2010, August 13,

2010, November 12, 2010 and February 11, 2011.

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

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

IV. Remuneration Committee:-

The Company does not have a Remuneration Committee.

V. Shareholders Committee:-

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	1	1	Nil
Non-receipt of dividend/ interest warrant	2	2	Nil
Others/miscellaneous	1	1	Nil
Total	4	4	Nil

There was no transfer of shares pending as on March 31, 2011.

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

VI. Subsidiary Company:-

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

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



VII. Details of Annual General Meetings:-

Annual General Meeting	Location	Date	Time
24 th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 28, 2010	3.00 p.m.
23 rd Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 29, 2009	3.00 p.m.
22 nd Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 30, 2008	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
2007-2008	22 nd AGM	30.9.2008	3.00 p.m.	1
2008-2009	23 rd AGM	29.9.2009	3.00 p.m.	1
2009-2010	24 th AGM	28.9.2010	3.00 p.m.	None

VIII. Disclosures:-

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

The Company has complied with the requirements of Bombay Stock Exchange Limited, 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 Bombay Stock Exchange Limited, SEBI or any other statutory authority relating to the above.

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

IX. Means of Communication:-

The half-yearly/quarterly results are published in the newspapers (Mumbai edition) and are not being sent to each household of shareholders. The results are usually published in The Free Press Journal and Navshakti.

The Company's own website www.applefinance.net is under construction. The Company posts information relating to its financial results on www.corpfilng.co.in under the Corporate Filing and Dissemination System as required by SEBI. The Company does not make presentations to institutional investors or analysts.

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

X. General Shareholder information:-

- Date, time and venue of the AGM : September 28, 2011 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001
- Financial Calendar : April 1, 2011 to March 31, 2012
- Adoption of Quarterly Results for the quarter ending : On or before
- June 30, 2011 : August 15, 2011
- September 30, 2011 : November 15, 2011
- December 31, 2011 : February 15, 2012
- March 31, 2012 : May 31, 2012
- Date of Book Closure : September 21, 2011 to September 28, 2011 (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 2011-2012. 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 other 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 2010-2011 are given below.

APPLE FINANCE LIMITED

Year 2010-2011	High (Rs.)	Low (Rs.)
April	5.39	4.22
May	4.90	4.04
June	5.66	4.03
July	4.87	4.05
August	7.44	4.17
September	5.61	4.61
October	4.88	4.43
November	4.76	3.68
December	4.26	3.70
January	4.03	3.41
February	3.43	2.88
March	3.13	2.86

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

Share Transfer System :

A Committee of Directors comprising Mr. Mahesh K. Rachh and Mr. Mahesh Raghavan Menon has been constituted to approve the transfer, transmission, dematerialization and rematerialization of shares, issue of duplicate share certificates and allied matters. The Company's Registrars, Sharepro Services (India) Private Limited have adequate infrastructure to process share transfers and dematerialization of shares.

A predetermined process cycle at regular interval ensures transfer of shares expeditiously and thereafter an option letter is sent to the transferee(s) for dematerialization. In compliance with the Listing Agreement, every six months, a Practicing Company Secretary audits the system and a certificate to that effect is issued and filed with Bombay Stock Exchange Limited.

Distribution of Shareholding as on March 31, 2011:-

Shareholding	No. of Folios	% of Total	No. of Shares	% of Total
1-500	119950	93.91	17489177	31.42
501-1000	4660	3.65	3729873	6.70
1001- 2000	1642	1.28	2588811	4.65
2001- 3000	499	0.39	1292474	2.32
3001- 4000	215	0.17	786825	1.42
4001- 5000	240	0.19	1162737	2.09
5001- 10000	279	0.22	2175734	3.90
10001 and above	246	0.19	26447491	47.50
Total	127731	100.00	55673122	100.00

72.72% of the equity share capital has been dematerialized up to March 31, 2011.

Categories of Shareholding as on March 31, 2011:

Category	No. of shares held	Percentage of Shareholding
Promoters	14246596	25.59
Mutual Funds and UTI	13415	0.02
Banks, Financial Institutions and Insurance Companies	15540	0.03
FII's	200	0.00
Private Corporate Bodies	3906850	7.02
Indian Public	33175539	59.59
NRIs/OCBs	997723	1.79
Trusts	3317259	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) Regulations, 1997.

- Address for correspondence:-

The Company Secretary
Apple Finance Limited
8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023 • Email : 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 transaction 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.

- d) I have indicated to the Auditors and the Audit Committee:-
- significant changes in internal control over financial reporting 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
 - instances of significant fraud which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mahesh K. Rachh
Managing Director

Place: Mumbai
Date: June 30, 2011

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, 2011.

Mahesh K. Rachh
Managing Director

Place: Mumbai
Date: June 30, 2011

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

To the Members of Apple Finance Limited:-

We have examined the compliance of the conditions of Corporate Governance by Apple Finance Limited ("the Company") for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **MAHENDRA KUMBHAT & ASSOCIATES**
Chartered Accountants

Amar Chand Bagrecha
Partner

Place: Mumbai
Date: June 30, 2011

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

