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APPLE FINANCE LIMITED

16TH ANNUAL REPORT 2001-2002

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APPLE FINANCE LIMITED

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REGISTERED OFFICE

11/13 Botawala Building, 1st Floor
Opp. Horniman Circle
Fort
Mumbai 400 023

BOARD OF DIRECTORS

Mr. Mahesh K. Rachh (Managing Director)

Mr. Gajendra Raj Abani (Executive Director)

Mr. Premlal K.K. (Executive Director)

AUDITORS

Messrs Mahendra Kumbhat & Associates
Chartered Accountants

REGISTRAR & TRANSFER AGENTS

Messrs Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda
Cardinal Gracias Road, Chakala
Andheri (East), Mumbai 400 099
Phone : 8348218 / 8329828 / 8215169 / 8347719
Fax : 8375646 / 8392259

BANKERS

Allahabad Bank
Bank of Baroda
Canara Bank
Central Bank of India
Dena Bank
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
The Federal Bank Limited
Union Bank of India

16th Annual General Meeting

On Tuesday, September 24, 2002 at 10.30 a.m.
at M.C. Ghia Hall, Bhogilal Hargovindas Bldg.
Floor 2, 18/20 Kaikhushru Dubash Marg
Mumbai 400 001

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NOTICE

NOTICE is hereby given that the sixteenth Annual General Meeting of the members of Apple Finance Limited will be held on Tuesday, September 24, 2002 at 10.30 a.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 consider and adopt the Balance Sheet as at March 31, 2002, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gajendra Raj Abani, 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 a Special Resolution, the following :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from all or any of the Stock Exchanges at Ahmedabad, Kolkata, Chennai, New Delhi and Vadodara."

By Order of the Board of Directors

Parag B. Deshpande
Company Secretary

Registered Office:

11/13 Botawala Building, Floor 1
Opp. Horniman Circle, Fort
Mumbai 400 023

Date: July 31, 2002

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. A proxy need not be a member. The proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item 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 18, 2002 to Tuesday, September 24, 2002 (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 already transferred all unclaimed dividend declared upto the financial year ended June 30, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid financial years, may claim their dividend from the Office of the Registrar of Companies, Maharashtra, CGO Complex, Floor 2, Next to Reserve Bank of India, CBD-Belapur, Navi Mumbai 400 614, Phone No.7576802.
8. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended June 30, 1995 and thereafter, which remain unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended June 30, 1995 or any subsequent financial years are requested to make their claim to the office of the Registrar and Transfer Agents, Messrs Sharepro Services, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai 400 099. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
9. 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.
10. 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

Presently, the Company's equity shares are listed at the following six Stock Exchanges in India:

- i. The Stock Exchange, Mumbai (the Regional Stock Exchange)
- ii. The Stock Exchange, Ahmedabad
- iii. The Calcutta Stock Exchange Association Limited
- iv. The Delhi Stock Exchange Association Limited
- v. Vadodara Stock Exchange Limited
- vi. Madras Stock Exchange Limited.

With the extensive networking of The Stock Exchange, Mumbai ("BSE") and the extension of the BSE terminals to other cities as well, investors have access to online dealings in the Company's equity shares across the country. The bulk of the trading in the Company's equity shares in any case takes place on the BSE and our shares are hardly traded on the other Exchanges. It is observed that the listing fees paid to the other Stock Exchanges are substantial and the Company cannot bear the financial burden of the listing fees considering its present financial position.

Therefore, as part of its cost reduction measures, the Company has proposed this resolution, which will enable it to delist its equity shares from all or any of the following five Stock Exchanges viz. 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.

In line with the Securities and Exchange Board of India's regulations and approval, if any, required members' approval is being sought by a Special Resolution for enabling voluntary delisting of the Company's equity shares from the said other five Stock Exchanges.

The proposed delisting of the Company's equity shares from 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, as and when the same takes place, will not adversely affect the investors. The Company's equity shares will continue to be listed on the BSE. The delisting will take effect after all approvals, permissions and sanctions are received.

Your Directors recommend the Special Resolution for approval of members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

By Order of the Board of Directors

Parag B. Deshpande
Company Secretary

Registered Office:

11/13 Botawala Building, Floor 1
Opp. Horniman Circle, Fort
Mumbai 400 023

Date: July 31, 2002

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DIRECTORS' REPORT

Your Directors present their sixteenth Annual Report on the business and operations of your Company and the audited financial accounts for the year ended March 31, 2002.

FINANCIAL RESULTS

The financial results of your Company for the year ended March 31, 2002 as compared to the previous period are summarized below:

	Rs. lacs	
	Year ended	Period ended
	31.03.2002	31.03.2001
	(12 months)	(3 months)
Gross income	4321.07	377.61
Profit / (Loss) before depreciation and taxation	(2730.91)	(3920.17)
Less : Depreciation	5706.60	2343.04
Profit / (Loss) before taxation	(8437.51)	(6263.21)
Less : Provision for taxation for earlier years	3.26	—
Net Profit / (Loss) after taxation	(8440.77)	(6263.21)

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

MANAGEMENT DISCUSSION AND ANALYSIS

Non-Banking Financial Companies (NBFCs) have been playing a constructive role in economic growth of the country by serving as important linchpins in the financial system. These companies are the mobilizers of savings of the house hold sector and the corporate sector to channelize the same into productive activities of the manufacturing industry and service sector.

NBFCs have been supplementing and complementing the services of commercial banks the world over. In India, the liberalization and diversification of the financial system - both institutions and instruments in the recent years, significantly enlarged the scope and activities of NBFCs.

Over the years the NBFC sector grew exponentially and became an integral part of the Indian financial system. Reserve Bank of India has been regulating the activities of the NBFCs for more than last three decades.

However, in the last four years, the NBFC segment has seen a major shake-out and continued downfall. This is basically due to lack of level playing field, illiquidity, economic downturn and sharp increase in defaults by the clients.

Business environment for fund based activities for NBFCs continues to be highly unfavourable in a scenario where large players viz., banks, financial institutions and

multinationals with access to low cost funds are dominating the market which hitherto was the mainstay of NBFCs. The aggressive approach of these players has pushed down the lending rates in retail finance and the margins have eroded. On account of lack of avenues for raising funds at competitive costs, NBFCs have been marginalized and the operations have become unviable for most of the NBFCs, forcing them to exit the business.

During the year under review, your Company's losses have further mounted, putting the Company in a critical position. Competition and rate war have been major reasons for zero level business of your Company.

During the year, your Company focussed all its efforts on the recovery of overdues and non-performing assets on one hand and reduction of the liabilities on the other hand. Though the Company has been successful in recovering several NPA accounts in the retail portfolio, there was limited success in recovering the dues of corporate NPAs. Apart from the usual legal delays, the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, which enable the defaulting companies to take refuge of BIFR, are a great hurdle in the speedy recovery of corporate dues.

In the direction toward settlement of dues of the Company, discussions with banks and financial institutions are being held on continuous basis for one time settlement. The progress has been encouraging and a few of the accounts have already been closed. We hope to complete this process as early as possible.

The commercial complex at Bandra-Kurla, Mumbai is being given final touches and it is ready for sale. We are in a process of finding a suitable buyer, subject to approval from the creditors/appropriate authorities. Alternatively, this property would be offered to the creditors in settlement of their dues.

SUBSIDIARIES

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

During the year under review, Apple Granites Limited ceased to be a subsidiary of your Company.

DIRECTORS

During the year under review, Mr. V. Gopalakrishnan, Mr. V. Venkataramani and Mr. T. K. R. Chary resigned as Directors. The Board places on record its appreciation of the services rendered by them.

Mr. Gajendra Raj Abani, Director of your Company, retires by rotation and being eligible, offers himself for reappointment.

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, 2002, the applicable accounting standards

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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 year and of the loss 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, 2002 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.

DEPOSITORIES

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

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

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

At present, over 63% of the paid-up equity share capital of the Company is held in dematerialized form.

FIXED DEPOSITS

As the Company has issued notice of prepayment to the fixed depositors, all the live fixed deposits have been treated as matured deposits and as such as on March 31, 2002, 1.597 fixed deposits aggregating Rs.148.99 lacs remained unclaimed, out of which 128 deposits aggregating Rs.14.03 lacs have since been repaid. Suitable steps are being taken to elicit responses from the remaining depositors.

The entire unclaimed deposits have been provided for in an escrow account maintained with a scheduled bank.

AUDITORS

Messrs Mahendra Kumbhat & Associates, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing annual general

meeting. The Company has received a letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Members are requested to consider their reappointment as the Auditors of the Company and authorize the Board of Directors to fix their remuneration.

AUDITORS' REPORT

As regards observations of the Auditors in sub-clause (a), (b) and (c) of Clause No. (vi) of their report, attention of the members is invited to Note Nos.4 (a), 4 (b) and 15 of Schedule "O" to the Annual Accounts, which are self-explanatory.

PARTICULARS OF EMPLOYEES

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption, is not being given since your Company is not engaged in manufacturing activity.

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

For and on behalf of the Board

Mahesh K. Rachh
Managing Director

Gajendra Raj Abani
Executive Director

Premlal K.K.
Executive Director

Place : Mumbai

Date : June 28, 2002

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ANNEXURE TO THE DIRECTORS' REPORT

Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2002.

Sr. No.	Name	Age (Years)	Designation	Gross Remuneration Received (Rs.)	Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment Held, Designation, Period (Years)
EMPLOYED THROUGHOUT THE YEAR						Nil	
EMPLOYED FOR PART OF THE YEAR							
1.	V. Gopalakrishnan	44	Managing Director	1524450	B.Com. (23)	07-Mar-94	Ashok Leyland Limited, Branch Manager (5)

Note :

Remuneration includes salary, all allowances, Company's contribution to Provident and Superannuation fund, gratuity, leave encashment and value of perquisites.



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REPORT ON CORPORATE GOVERNANCE

Introduction :

Securities and Exchange Board of India have introduced a Code of Corporate Governance for implementation by companies listed with Stock Exchanges. Accordingly, the Code was implemented by effecting amendments to the Listing Agreements of the Stock Exchanges with which the Company is listed. As per the amended Listing Agreements, the Code is required to be implemented by March 31, 2002.

Board Of Directors:

Composition, category of Directors and their other directorships and committee memberships as on March 31, 2002 :

Name of the Director	Category of Directorship	No. of other Directorship held in Public Companies	No. of other Committee Membership
Mr. Mahesh K. Rachh	Executive Director (Managing Director)	1	Nil
Mr. Gajendra Raj Abani	Executive Director (Wholetime Director)	Nil	Nil
Mr. Premial K. K.	Executive Director (Wholetime 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.

During the last three years the following non-Executive Directors have resigned from the Board viz., Mr. V.K. Kumar, Mr. J. R. K. Sarma, Mr. D. P. Gupta, Mr. N. P. Bhogilal, Mr. Atul K. Nishar, Mr. K. C. Sedhia, Dr. A. C. Shah, Mr. H. P. Nag Chowdhury and Mr. S. K. Basu.

Due to precarious position of the Company, no non-Executive Director has thereafter joined the Board. However, efforts of the management are still on to invite best persons from the industry to join the Board of the Company.

With the enlargement of Board in the future, this condition of the Code will be complied with.

Ten meetings of the Board of Directors were held during the year. The dates on which the meetings were held are as follows :

April 16, 2001; July 31, 2001; August 9, 2001; August 31, 2001; September 28, 2001; October 31, 2001; November 14, 2001; November 29, 2001; January 18, 2002 and January 31, 2002.

The attendance of the Directors at 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 7, 2001
Mr. Mahesh K. Rachh	8	Present
Mr. Gajendra Raj Abani	10	Present
Mr. Premial K. K.	10	Present
Mr. V. Gopalakrishnan *	3	Not applicable
Mr. V. Venkataramani **	6	Present
Mr. T. K. R. Chary ***	3	Not applicable

* Resigned as Director on August 9, 2001

** Resigned as Director on November 14, 2001

*** Resigned as Director on August 31, 2001

Remuneration to Directors for the year 2001-2002:

Name of the Director	Salary and Allowances (Rs.)	Perquisites (Rs.)	Contribution to Provident Fund and Superannuation Fund (Rs.)
Mr. V. Gopalakrishnan	14,23,712	5,500	95,238
Mr. Mahesh K. Rachh	5,15,074	15,400	91,974
Mr. G. R. Abani	8,78,988	16,200	1,34,337
Mr. Premial K. K.	6,18,180	16,200	87,966
Mr. T. K. R. Chary	3,73,695	5,500	47,693
Mr. V. Venkataramani	5,82,742	11,757	62,539

All the aforesaid persons being wholetime Directors, no sitting fees were paid to them for attending the meetings of the Board.

Information in respect of the Director seeking reappointment at the Annual General Meeting :

Mr. Gajendra Raj Abani, aged 37, has been the Director of Apple Finance Limited since February 2001. Mr. Abani joined the Company in August 1995 and prior to his induction into the Board he was the senior executive of the Company, designated as Vice President (Accounts). Mr. Abani is B.Com from Jai Narayan Vyas University, Jodhpur, as well as a Fellow Member of the Institute of Chartered Accountants of India. Mr. Gajendra Raj Abani is not a Director of any other company.

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 does not have a non-Executive Director on the Board and as such the Company has not been able to constitute an Audit Committee as required under the Code.

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Remuneration Committee :

The Company does not have a Remuneration Committee.

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.

As explained earlier, the Company at present does not have a non-Executive Director on the Board and as such the Company has not been able to constitute a Shareholders Committee.

Mr. Parag 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	58	58	Nil
Non-receipt of dividend warrant	175	175	Nil
Others/miscellaneous	166	166	Nil
Total	399	399	Nil

There were 3 transfers, involving 400 equity shares pending as on March 31, 2002. These transfers have been processed and shares have been despatched in April 2002.

The above information is based on the details received from the Company's Registrars, M.s. Sharepro Services.

Details of Annual General Meetings:

Annual General Meeting	Location	Date	Time
15th Annual General Meeting	M.C. Ghia Hall, Bhogilal Hargovindas Building, Floor 2, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 7, 2001	2.30 p.m.
14th Annual General Meeting	Tejpal Auditorium, Near August Kranti Maidan, Gowalia Tank, Mumbai 400 002	June 29, 2001	10.30 a.m.
13th Annual General Meeting	Tejpal Auditorium, Near August Kranti Maidan, Gowalia Tank, Mumbai 400 002	September 20, 2000	10.30 a.m.

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

Disclosures :

The Company has not entered into any transaction of a material nature with the promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have any potential conflict with the interests of the Company.

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.

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 Navshakti and The Free Press Journal.

The Company does not have a website and, therefore, the results are not posted on website. It does not make presentations to institutional investors or analysts.

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

General Shareholder information:

- Date, time and venue of the AGM: Tuesday, September 24, 2002 at 10.30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 2, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001.
- Financial Calendar : April to March
 - Adoption of Quarterly Results for the quarter ending : 4th week of
 - June 30, 2002 : July 2002
 - September 30, 2002 : October 2002
 - December 31, 2002 : January 2003
 - March 31, 2003 : April 2003
- Date of Book Closure : Wednesday September 18, 2002 to Tuesday, September 24, 2002 (both days inclusive).
- Dividend Payment Date : Dividend has not been recommended by the Board of Directors.
- Listing on Stock Exchange : The Company's equity shares are listed on The Stock Exchange, Mumbai (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 The Stock Exchange, Mumbai for the financial year 2002-2003. The Company has not been able to pay the annual listing fees to the other five Stock Exchanges due to its precarious financial position. The Company proposes to delist its equity shares from the said five Stock Exchanges.
- Stock Code : 500014 on The Stock Exchange, Mumbai
- ISIN Number for NSDL and CDSL : INE096A01010
- Market Price Data : The high and low prices of every month during the financial year 2001-2002 are given below :

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Year 2001-2002	High (Rs.)	Low (Rs.)
April	1.50	1.00
May	2.10	1.25
June	1.95	1.30
July	2.00	1.05
August	1.50	1.00
September	1.30	0.80
October	1.05	0.80
November	1.00	0.75
December	1.00	0.55
January	0.95	0.60
February	1.05	0.60
March	0.80	0.45

Registrar and Transfer Agents : Messrs Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracias Road,
Chakala, Andheri (East),
Mumbai 400 099
Phone : 8348218 8329828
8215169 8347719
Fax : 8375646 8392259
Contact Person : Mrs. Indira Prashant Karkera

● Share Transfer System

A Committee of Directors comprising Mr. Mahesh K. Rachh and Mr. Premal K. K. 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, M/s. Sharepro Services 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 the system is audited by a Practising Company Secretary and a certificate to that effect is issued and filed with the Stock Exchanges.

● Distribution of Shareholding as on March 31, 2002 :

Shareholding	No. of Folios	% of total	No. of Shares	% of Total
1 - 5000	153918	99.87	28720861	51.59
5001 - 10000	129	0.08	888010	1.60
10001 - 20000	52	0.03	710596	1.28
20001 - 30000	18	0.01	434360	0.78
30001 - 40000	4	-	141065	0.25
40001 - 50000	2	-	96000	0.17
50001 - 100000	2	-	139200	0.25
100001 and above	15	0.01	24543030	44.08
Total	154140	100.00	55673122	100.00

● Over 63% of the equity shares have been dematerialized upto March 31, 2002.

● Categories of Shareholding as on March 31, 2002 :

Category	No. of shares held	Percentage of Shareholding
Promoters	16454880	29.56
Mutual Funds and UTI	1673006	3.01
Banks, Financial Institutions and Insurance Companies	45515	0.08
FII's	200	-
Private Corporate Bodies	710494	1.28
Indian Public	35914618	64.50
NRI's/OCBs	858145	1.54
Any other (NSDL in transit)	16264	0.03
TOTAL	55673122	100.00

● Address for Correspondence

The Company Secretary

11/13 Botawala Building, Floor 1, Opp. Horniman Circle, Fort, Mumbai 400 023

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, 2002, 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 does not have any non-executive director 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

Place : Mumbai
Date : June 28, 2002

Manoj P. Shah
Partner