



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 situated, 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



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:

	Rs. lacs	
	Year ended 31.03.2009	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 **Mahendra S. Shah**
Managing Director *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 Committee
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



AUDITORS' REPORT

To,

The members of Apple Finance Limited:

We have audited the attached Balance Sheet of Apple Finance Limited ("the Company") as at 31st March 2009 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto ("the Financial Statements"). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about, whether the financial statements are free of material misstatements. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, the Company has kept proper books of account as required by law so far as it appears from our examination of those books.
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; except for Accounting Standard 22 "Accounting for Taxes on Income".
- (v) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, *the said accounts subject to*
 - a) *Note No. 1 of Schedule 'P' regarding going concern assumption of the Company.*
 - b) *Note No. 12 of Schedule 'P' regarding non-consideration of Deferred Tax Assets (Net) amounting to Rs. 610,148,507*

and read with the other notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c) In the case of the Cash Flow Statement, of cash flows for the year ended on that date.

For Mahendra Kumbhat & Associates
Chartered Accountants

Amar Chand Bagrecha
Partner

Membership Number : 56605

Place: Mumbai

Date : July 31 , 2009

Annexure to the Auditors' Report

(Referred to in our Report of even date)

Matters required as per paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management has not verified all the assets during the year. We have been informed that no material discrepancies have been noticed on the assets physically verified by the management.
- (c) The Company has disposed of substantial part of fixed assets during the year, and it is not affecting 'going concern' concept of the Company, as informed.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. We have been informed that no material discrepancies between physical stocks and the book records were noticed on such verification.
3. The Company has not taken loans from / to companies, firms and other parties listed in the register maintained under Section 301 of the Act. The Company has given loan of Rs. 12,65,000 to its wholly owned subsidiary, terms and conditions of loan are *prima facie* not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are in general adequate internal control procedures, commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets, and for sale of services and we have not observed any major weaknesses in internal control.
5. According to the information and explanations given to us, the

APPLE FINANCE LIMITED

Company has not entered into the transactions requiring to be entered in the Register maintained in pursuance of the Section 301 of the Act.

6. The Company has not accepted deposits from public during the year, hence the provisions of Sections 58A and 58AA of the Act and the rules framed thereunder are not applicable.
7. The Company does not have an Internal Audit systems.
8. We have been informed that the Central Government has not prescribed the maintenance of Cost records under Section 209 (1) (d) of the Act.
9. a) We have been informed that during the year under review, the Company has regularly deposited all the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable. There were no arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, disputed statutory dues not deposited are nil.
10. The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has made cash profit in the current financial year and incurred cash loss in the previous financial year.
11. The Company has not defaulted in respect of payment of dues to banks, financial institutions and debenture-holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As informed to us, the Company is not a chit fund or a *nidhi* / mutual benefit fund / society, hence clause (xiii) of paragraph 4 of the Order is not applicable.
14. In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments in shares, securities, debentures and other investments and timely entries have been made therein. Except for some cases, all the investments are held by the Company in its own name.
15. The Company has not given any guarantees for loans taken by other companies hence, clause (xv) of paragraph 4 of the Order is not applicable to the Company.
16. The Company has not obtained term loans during the year; hence clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
17. The Company has raised fund-on short term basis during the year; same is not used for any long term investments.
18. During the year, no preferential allotment of shares has been made to the parties and companies covered in the register maintained under Section 301 of the Act.
19. According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued any debentures, hence the question of creation of security does not arise.
20. Since the Company has not come out with public issue during the year, clause (xx) of paragraph 4 of the Order is not applicable.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Mahendra Kumbhat & Associates**
Chartered Accountants
Amar Chand Bagrecha
Partner
Membership Number : 56605

Place : Mumbai

Date : July 31, 2009

A

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As at	
		31st March, 2009	As at 31st March, 2008
		Rupees	Rupees
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	"A"	556,701,477	556,701,477
Reserves and Surplus	"B"	1,030,959,604	666,727,940
		<u>1,587,661,081</u>	<u>1,223,429,417</u>
Loan Funds :			
Secured Loans	"C"	-	3,331,010,420
Unsecured Loans	"D"	210,575,981	179,046,783
		<u>210,575,981</u>	<u>3,510,057,203</u>
		<u>1,798,237,062</u>	<u>4,733,486,620</u>
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	"E"	133,547,691	133,547,691
Less: Depreciation		60,782,855	58,396,574
		<u>72,764,837</u>	<u>75,151,116</u>
Work-in-Progress		-	2,382,295,698
		<u>72,764,837</u>	<u>2,457,446,814</u>
Investments :			
	"F"	89,440,154	90,670,154
Current Assets, Loans and Advances :			
Current Assets :			
Stock in Trade - Equity Shares		32,188,190	32,188,190
Sundry Debtors		-	173,784,983
Cash and Bank Balances		100,215,576	1,438,017
		<u>132,403,766</u>	<u>207,411,190</u>
Loans and Advances :			
	"H"	319,673,485	33,534,009
		<u>452,077,251</u>	<u>240,945,199</u>
Less:			
Current Liabilities and Provisions :			
Current Liabilities	"I"	197,072,581	19,209,525
Provisions		87,575,723	343,750,585
		<u>284,648,304</u>	<u>362,960,110</u>
Net Current Assets		167,428,947	-122,014,911
Profit and Loss Account as per annexed Account		1,468,603,124	2,307,384,562
		<u>1,798,237,062</u>	<u>4,733,486,620</u>
Significant Accounting Policies	"O"		
Notes Forming Part of Accounts	"P"		
Schedules "A" to "P" form an integral part of the Accounts			

This is the Balance Sheet referred to in our report of even date

For MAHENDRA KUMBHAT & ASSOCIATES

Chartered Accountants

Amar Chand Bagrecha
Partner

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place : Mumbai
Date : July 31, 2009

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Income from Operations	"J"	123,530		103,204	
Other Income	"K"	994,116,970		1,855,269	
			994,240,500		1,958,473
EXPENDITURE					
Employment Expenses	"L"	3,268,553		3,693,025	
Administrative and Other Expenses	"M"	54,077,613		22,644,239	
Interest and Bank Charges	"N"	11,698,808		14,843,967	
Provisioning for Non-performing assets and Investments		-65,116,954		-	
Written back					
Depreciation	"E"	2,386,280		2,454,943	
			6,314,300		43,636,174
Profit (+)/Loss (-) for the year before Tax			987,926,199		-41,677,700
Provision for Wealth Tax			41,657		42,523
Provision for Fringe Benefit Tax			145,230		150,000
Profit (+)/Loss (-) after Tax			987,739,312		-41,870,223
Prior Period Expenses (See Note below)			148,957,874		-
Profit (+)/Loss (-) after Tax and prior period items			838,781,438		-41,870,223
Add : Balance brought forward from previous year			-2,307,384,562		-2,265,514,339
Balance carried to Balance Sheet			-1,468,603,124		-2,307,384,562

Note : Prior period expenses are Ground Lease Rent payable to Mumbai Metropolitan Region Development Authority for the period 1998 to 31.3.2008 with interest charged by them.

Significant Accounting Policies "O"

Notes Forming Part of Accounts "P"

Schedules "A" to "P" form an integral part of the Accounts

This is the Profit & Loss Account referred to in our report of even date

For MAHENDRA KUMBHAT & ASSOCIATES

Chartered Accountants

Amar Chand Bagrecha
Partner

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place : Mumbai
Date : July 31, 2009

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

a

SCHEDULES TO BALANCE SHEET

	As at 31st March 2009		As at 31st March 2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "A" - SHARE CAPITAL				
Authorized				
75,000,000 Equity Shares of Rs.10 each		750,000,000		750,000,000
7,500,000 Preference Shares of Rs. 100 each		750,000,000		750,000,000
		<u>1,500,000,000</u>		<u>1,500,000,000</u>
Issued and Subscribed				
55,673,122 Equity Shares of Rs. 10 each		556,731,220		556,731,220
		<u>556,731,220</u>		<u>556,731,220</u>
Paid-up				
55,673,122 Equity Shares of Rs. 10 each fully paid up		556,731,220		556,731,220
Less : Call money receivable		29,743		29,743
Paid-up Share Capital		<u>556,701,477</u>		<u>556,701,477</u>
SCHEDULE "B" - RESERVES AND SURPLUS				
General Reserve				
Per last Balance Sheet		-		-
Additions / (Reductions) during the year	400,000,000	400,000,000	-	-
Capital Reserve				
Per last Balance Sheet		6,933,420		6,933,420
Capital Reserve on settlement of Loans				
Per last Balance Sheet	62,794,520		543,119,997	
Additions during the year on One-Time-Settlement	1,010,420		-480,325,477	
Additions during the year- Interest cost charged to Capital	<u>363,221,244</u>	427,026,184	-	62,794,520
Reserve in previous year capitalised to Capital Work-in-Progress (Refer Note No.1 below)				
Reserve Fund under Section 45IC(1) of the Reserve Bank of India Act,1934				
Per last Balance Sheet		77,000,000		77,000,000
Capital Redemption Reserve				
Per last Balance Sheet		20,000,000		20,000,000
Debenture Redemption Reserve				
Per last Balance Sheet	500,000,000		500,000,000	
Additions / (Reductions) during the year	<u>-400,000,000</u>	<u>100,000,000</u>	<u>-</u>	<u>500,000,000</u>
		<u>1,030,959,604</u>		<u>666,727,940</u>

Note No.1

During the Financial Year 2007-08, the Company had arrived at One-Time-Settlement with various lenders (Banks and UTI). Upon such One-Time-Settlement, additional amount of Rs. 59,04,58,876 has been paid to the lenders towards interest over and above the principal loan amount. The said interest was debited to the Capital Reserve of the Company. However, out of such interest expenses of Rs.59,04,58,876 an amount of Rs.36,32,21,244 (calculated on the basis of proportion between amount outstanding during respective years and total loans during the respective years, in the absence of a specific loan utilisation records) towards the capital Work-in-Progress i.e.property development expenses. Hence, in the current year, the Company has reversed the amount of Rs.36,32,21,244 from the Capital Reserve and added the same to the Capital Work-in-Progress.

APPLE FINANCE LIMITED

SCHEDULES TO BALANCE SHEET

	As at 31st March 2009		As at 31st March 2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "C" - SECURED LOANS				
(1) From Banks :				
[Secured by hypothecation of movable assets, assignments of lease rentals and future receivables under the lease and hire-purchase agreements (including interest debited thereon)]				
Others Advances	-		2,162,010,420	
				2,162,010,420
(2) Secured Redeemable Non-Convertible Debenture :				
[Secured by hypothecation / mortgage of immovable and specific assets and lease and hire-purchase rentals receivable in respect of such assets including debenture / instalment of debenture fallen due for redemption and not redeemed]				
Nil (3,700) - 16 % Debentures of the face value of Rs. 100,000 each ("AAA-II" Series)	-		370,000,000	
Nil (7,490) - 14 % Debentures of the face value of Rs. 100,000 each ("AAA-III" Series)	-		749,000,000	
Nil (20) - 14 % Debentures of the face value of Rs. 2,500,000 each ("AA-1" Series)	-		50,000,000	
				1,169,000,000
				3,331,010,420

Notes:

Secured Debentures:-

- Nil (3,700) - 16% Debentures of the face value of Rs. 100,000 each ("AAA-II" Series) privately placed, redeemable at par at the end of third year from the relative date(s) of allotment, with a put and call option to have the debentures redeemed at the end of 2nd year upto 50% of the face value of debentures.
- Nil (7,490) - 14% Debentures of the face value of Rs. 100,000 each ("AAA-III" Series) (out of which 2000 debentures are carrying additional interest of 1.50%) privately placed, redeemable at par at the end of third year from the relative date(s) of allotment with a put and call option to have the debentures redeemed at the end of 24th and 30th month each upto 33% of the face value of debentures.
- Nil (20) - 14% Debentures of the face value of Rs. 2,500,000 each ("AA-1" Series) privately placed, redeemable in two instalments of 25% and 75% at the end of 30th and 36th months from the respective date of allotment.

SCHEDULE "D" - UNSECURED LOANS

Loans and Advances from others		210,575,981		179,046,783
Fixed Deposits from public (principal as well as interest payable thereon, net of loans given to fixed depositors)	16,276,771		15,410,590	
Less : Balance lying in an escrow account with a scheduled bank (including interest accrued and TDS deducted)	16,276,771		15,410,590	
		210,575,981		179,046,783

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SCHEDULES TO BALANCE SHEET

SCHEDULE "E" - FIXED ASSETS

(Amount in Rupees)

Name of the Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01-04-2008	Addition	Reduction / Deduction	As at 31-03-2009	Upto 31-03-2008	Provided During Year	Reduction / Deduction	Upto 31-03-2009	As at 31-03-2009	As at 31-03-2008
Land	955,066	-	-	955,066	-	-	-	-	955,066	955,066
Buildings *	90,493,130	-	-	90,493,130	23,601,371	1,475,040	-	25,076,411	65,416,719	66,891,759
Plant & Machinery	23,365,409	-	-	23,365,409	20,884,054	330,688	-	21,214,742	2,150,667	2,481,355
Furniture & Fixtures	16,418,560	-	-	16,418,560	13,252,515	360,576	-	13,613,091	2,805,469	3,166,045
Vehicles	2,315,525	-	-	2,315,525	658,634	219,976	-	878,610	1,436,915	1,656,891
Total Current Year	133,547,691	-	-	133,547,691	58,396,574	2,386,280	-	60,782,855	72,764,837	75,151,116
Total Previous Year	133,631,291	1,032,924	1,116,524	133,547,691	56,339,996	2,454,943	398,365	58,396,574	75,151,116	77,291,294

* Buildings include value of properties in Co-operative Societies including shares of respective societies.

SCHEDULE "F" - INVESTMENT (at cost)
(FULLY PAID-UP UNLESS STATED OTHERWISE)

(Rupees)

	Number of Shares/Debentures/ Bonds/Scripts	Face Value Rupees	As at 31st March, 2009	As at 31st March, 2008
TRADE INVESTMENTS - EQUITY SHARES				
[QUOTED]				
Ambika Cotton Mills Limited	180,233	10	8,651,200	8,651,200
Anjani Solvents India Limited	74,853	10	748,530	748,530
Anod Plasma Spray Limited	75,000	10	750,000	750,000
Cipla Limited	238,850	2	4,267,390	4,267,390
Dr. Reddy's Laboratories Limited	33,300	5	8,089,402	8,089,402
Godrej Consumer Products Limited	213,472	1	3,415,552	3,415,552
Gujarat State Financial Corporation	23,400	10	468,000	468,000
Indian Lead Limited	332,066	10	12,331,200	12,331,200
Inland Printers Limited	33,300	10	1,998,000	1,998,000
Pittie Cements & Industries Limited	118,126	10	12,993,860	12,993,860
Sagar Tourist Resorts Limited	21,342	10	213,420	213,420
Seasons Furnishings Limited	16,900	10	169,000	169,000
Shri Renuga Textiles Limited	40,000	10	6,000,000	6,000,000
Sunshield Chemicals Limited	9,900	10	326,700	326,700
Vital Foods Limited	93,900	10	1,032,900	1,032,900
SUB TOTAL			61,455,154	61,455,154

APPLE FINANCE LIMITED

SCHEDULES TO BALANCE SHEET

	As at 31st March, 2009		As at 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
[UNQUOTED]				
Aldrich Pharmaceutical Limited	210,000	10	7,035,000	7,035,000
Anand Health Equipment Private Limited (Previous Year 4,800 Shares of Rs.100, each)	-	-	-	480,000
Gujarat Venture Capital Fund - 1995 (Rs. 750,000 redeemed during the year)	N.A.	N.A.	-	750,000
IAEC Industries Madras Limited	150,000	10	6,000,000	6,000,000
Prashanth Textiles Limited	291,666	10	12,950,000	12,950,000
Spectrum Alkyd & Resins Limited	133,333	10	1,500,000	1,500,000
Vijaya Home Loans Limited	50,000	10	500,000	500,000
SUB TOTAL			27,985,000	29,215,000
TOTAL			89,440,154	90,670,154

	Cost (Rupees)	Market Value (Rupees)
Aggregate Value of Quoted Investment (Previous Year)	61,455,154 (61,455,154)	106,646,312 (117,610,328)
Aggregate Value of Unquoted Investment (Previous Year)	27,985,000 (29,215,000)	
TOTAL (Previous Year)	89,440,154 (90,670,154)	

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SCHEDULES TO BALANCE SHEET

	As at 31st March, 2009		As at 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "G" - CURRENT ASSETS				
Stock-in-Trade - Shares and Securities (at cost)		32,188,190		32,188,190
Sundry Debtors (net of Security Deposits)				173,784,983
Due over six months				
Cash and Bank Balances				
Cash	11,487		95,634	
Balances with Scheduled Banks (including cheques in hand)				
In Fixed Deposit Accounts	100,039,704		39,704	
In Current Accounts	164,385		1,302,679	
		100,215,576		1,438,017
		100,215,576		175,223,000
SCHEDULE "H" - LOANS AND ADVANCES (UNSECURED - CONSIDERED GOOD)				
Deposits		444,938		414,938
Advances recoverable in cash or in kind or for value to be received (net) (Refer Note No. 1 below)		311,267,922		25,416,292
Advance Income Tax / Sales Tax (Net of Provision)		7,960,626		7,702,779
		319,673,485		33,534,009
Note No. 1 :				
Advances include receivable from Kotak Mahindra Bank Limited towards sale of Apple Tower part consideration of Rs.30,35,28,810 which is held by Kotak Mahindra Bank Limited for liabilities towards Ground Lease Rent and other charges mentioned below.				
i) To make payments of Ground Lease Rent of Apple Tower.				
ii) To meet contingent liability of charges for extension of time for completion of construction of Apple Tower at Bandra-Kurla Complex, payable to Mumbai Metropolitan Region Development Authority.				
iii) Balance payment after making payment of Ground Lease Rent for Apple Tower and contingent liability as referred to in (ii) above.				
SCHEDULE "I" - CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors	5,152,480		5,404,748	
Other Liabilities	191,920,101		13,804,777	
		197,072,581		19,209,525
Provisions				
Provision for Non-performing Assets and Investments				
Opening Balance	343,340,671		343,340,671	
Less : Excess Provisions written back	65,116,954		-	
Less : Provision adjuted against actual write offs	191,062,764		-	
	87,160,953		343,340,671	
Provision for Leave Encashment	414,770		409,914	
		87,575,723		343,750,585
		284,648,304		362,960,110

APPLE FINANCE LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "J" - INCOME FROM OPERATIONS				
Income from Hire-Purchase		32,350		63,215
Interest (tax deducted at source Rs.Nil ; Previous year Rs. Nil)		41,096		14,947
Bad Debts recovered		50,084		25,042
		<u>123,530</u>		<u>103,204</u>
SCHEDULE "K" - OTHER INCOME				
Capital Gain on sale of Apple Tower property (Refer to Note No. 1 of Schedule "B")		992,298,950		-
Dividend Income		1,817,020		1,855,269
Misc. Income		1,000		-
		<u>994,116,970</u>		<u>1,855,269</u>
SCHEDULE "L" - EMPLOYMENT EXPENSES				
Salary and other Allowances		2,465,650		2,855,383
Contribution to Provident and other Funds		487,761		558,423
Welfare Expenses		315,142		279,219
		<u>3,268,553</u>		<u>3,693,025</u>
SCHEDULE "M" - ADMINISTRATIVE AND OTHER EXPENSES				
Rent		250,400		242,400
Rates and Taxes		26,858,515		4,287,216
Travelling and Conveyance Expenses		1,155,226		1,436,452
Electricity Charges		547,966		414,002
Communication Expenses		273,666		268,877
Repairs and Maintenance				
- Buildings	23,920		112,626	
- Plant and Machinery	39,323		17,684	
- Others	15,601		25,620	
		<u>78,844</u>		<u>155,930</u>
Directors' Sitting Fees		24,000		24,000
Printing and Stationery		45,682		67,508
Auditors' Remuneration				
- Audit Fees	300,000		300,000	
- Tax Audit Fees	100,000		-	
- Service Tax	41,200		37,080	
- Others	-		44,944	
		<u>441,200</u>		<u>382,024</u>
Legal and Professional Fees		13,858,357		11,496,793
Registrar and Share Transfers Expenses		6,990,760		773,127
AGM Expenses		1,849,594		1,810,574
Insurance		666,835		20,755
Debts/ Assets Written off	191,062,764		-	
Less: Appropriated out of Provisions	<u>191,062,764</u>		<u>-</u>	<u>-</u>
Service Charges		199,088		238,364
Loss on Assets Sold/ Discarded		-		293,159
Interest Tax Paid		-		-
Miscellaneous Expenses		837,481		733,058
		<u>54,077,613</u>		<u>22,644,239</u>
SCHEDULE "N" - INTEREST AND BANK CHARGES				
Interest		11,698,258		14,839,393
Bank Charges		550		4,574
		<u>11,698,808</u>		<u>14,843,967</u>

01,000,000

100,000,000



SCHEDULE "O" SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention and Concepts:

The Company follows the Historical Cost Convention and the Mercantile System of Accounting where the income and expenditure are recognised on accrual basis.

2. Income:

Income from leasing is accounted on accrual and due basis. Income from hire-purchase is accounted on sum of digit method. Other income is accounted on accrual basis.

Sales coincide with delivery, unless otherwise contractually agreed or required to be delivered later under a general business practice.

3. Fixed Assets:

Fixed assets are valued at cost less depreciation. Cost includes all expenses incurred for acquisition of assets.

Amount received on assignments of future lease rentals in respect of lease contracts is included in the Current Liabilities.

4. Depreciation:

The Company provides depreciation on straight-line method on a pro-rata basis on completed month basis at the rate specified in Schedule XIV to the Companies Act, 1956. However, the depreciation on non-performing lease and discarded own assets has been increased by the lease equalization charge and additional depreciation to write off the substantial part of the assets over the period of lease/use.

5. Investments:

All investments are stated at cost of acquisition. The investments sold during the year are accounted on first-in-first-out basis and investments purchased and sold during the year are shown on net basis. Provision is made for diminution in the value of investments, wherever required.

6. Foreign Currency Transaction:

i) Loans and Deferred Credits repayable in foreign currency and outstanding on the date of the Balance Sheet are expressed in Indian currency at appropriate rate of exchange prevailing on the date of the Balance Sheet except in the cases where the borrowings are covered under forward exchange contract and/or currency fluctuation risk is contracted to be borne by the lessee.

ii) Payments made in foreign currency towards revenue expenditure are converted at the rate prevailing on the date of remittance.

iii) The cost of foreign exchange forward contract cover in respect of foreign currency loan is apportioned pro-rata over a period of cover and charged to the Profit and Loss Account.

7. Valuation of Stocks:

a) Stock-on-hire is valued at agreement value less instalments, which have fallen due, and unmatured finance charges.

b) Stock of shares and securities is valued at cost and includes advance payment for subscription towards shares and debentures.

8. Retirement Benefits:

The provision for retirement benefits such as provident fund, gratuity and superannuation is made for employees from the date of their respective appointment.

(i) Company's contribution to Provident Fund, Pension Fund, Superannuation Fund and other fund is charged to the Profit and Loss Account.

(ii) The amount of Gratuity liability as ascertained on the basis of actuarial valuation by Life Insurance Corporation of India is paid/provided and charged to the Profit and Loss Account.

(iii) Provision is made towards liability for leave encashment.

9. Premium on Redemption of Debentures:

Liability in respect of premium payable on redemption of debentures is accounted at the time of redemption of the debentures and is included as Interest on Debentures.

10. Work-in-Progress:

Work-in-Progress includes cost of assets, advances made for project and for acquisition of asset and interest upto 31st December, 2000 on the funds deployed.

11. Contingency Reserve:

The Company creates Contingency Reserve by transfer from the General Reserve/Share Premium Account and/or Profit and Loss Account to provide for diminution in the value of unquoted investments, non-performing assets and for providing other liabilities. The amount utilized during the year out of the Contingency Reserve is adjusted to/from the respective assets/liabilities.

12. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss account. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

APPLE FINANCE LIMITED

SCHEDULE "P" - NOTES TO ACCOUNTS

Notes forming part of the Accounts for the year ended 31st March, 2009

	As at 31 st March, 2009 Rupees	As at 31 st March, 2008 Rupees
(1) As the business was unviable, the Company had surrendered its Certificate of Registration of Non-Banking Financial Institution to Reserve Bank of India. Reserve Bank of India has cancelled the said Certificate of Registration vide letter No. DNBS. MRO.No.4716 & 4869 / 02.01.60.Apple /2003-04 dated January 13, 2004 and January 18, 2004. In view of this, in terms of Section 45-IA of the RBI Act, 1934, now the Company is not entitled to carry on the business of Non-Banking Financial Institution. However, the Company can in future carry on the business of Non-Banking Financial Institution after taking necessary approval from Reserve Bank of India and hence, accounts are prepared on the Going Concern Basis and Historical Cost Method.		
(2) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	6,172,090
(3) Contingent Liabilities in respect of :		
(a) Guarantees issued for other companies for loans	-	100,000,000
(b) Pending appeals under Sales Tax laws of various states and Interest Tax. (As per the advice received by the Company, the Company does not expect any liability on this account and hence, no provision has been made).	-	7,027,726
(c) Claims against Company not acknowledge as debts .	100,000,000	-
(d) There is a contingent liability towards charges for extension of time for completing constructions of Apple Tower at Bandra Kurla Complex, payable to Mumbai Metropolitan Region Development Authority	107,816,237	-
(4) Legal proceedings instituted by the Banks, Corporates, Financial Institutions and Debenture Trustees for their alleged claim (net of book balances)	-	973,532,924
(5) (a) As the Company has offered to settle the outstanding dues payable to all the Banks, Financial Institutions and Debentureholders of the Company through one-time-settlement proposals, no interest has been provided on such outstanding. Interest expense will be accounted on payment basis. The Company has accordingly not provided for the estimated interest expense for the current year amounting to Rs. Nil (Rs.263,890,302).		
(b) The Company could not correctly ascertain and provide for the liability in respect of interest, as some of the banks have not furnished the calculation on Cash Credit/Loan accounts to the Company.		
(6) The Company has been advised that it does not have taxable income under the Income-tax Act, 1961 for the current financial year and accordingly, no provision for Income Tax has been made in the Profit and Loss Account of the Company. Further, Wealth Tax is accounted in the year in which it is paid and hence, no provision for Wealth Tax has been made in the Profit and Loss Account of the Company.		
(7) (a) All investments are in the name of the Company, except those under transfer/delivery.		
(b) All the investments are held by the Company as long term investments, except shown as stock-in-trade.		
(8) Remuneration to Directors :		
(a) Remuneration paid to the Managing and Executive Directors :		
	For the year ended 31st March 2009 Rupees	For the year ended 31st March 2008 Rupees
Salaries and Contribution to Provident and other funds	1,005,131	1,418,888
Perquisites *	-	-
Total	<u>1,005,131</u>	<u>1,418,888</u>
* Value of perquisites is determined as per the Income-tax Rules.		
(b) Since no commission is paid/payable to any Director, the computation of profits under Section 349 of the Companies Act, 1956 has not been made.		
(9) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.		
(10) There are no separate reportable segments.		

a

(11) Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below :

Name of related party and Nature of relationship	Nature of transaction	For the year ended 31st March 2009 Rupees	For the year ended 31st March 2008 Rupees
(i) Directors / Key Management Personnel : Remuneration:-			
(1) Mr. Mahesh K. Rachh : Managing Director		1,005,131	1,009,471
(2) Mr. Ashit J Sheth : Executive Director (Resigned w.e.f. 30th September, 2007)		-	409,417
(ii) Director and their relatives - Professional Fees:-			
(1) Mrs. Anita Mahesh Menon : Director 's wife.		143,700	130,000
Mrs. Harsha Ashit Sheth : Director 's wife		-	26,000
(iii) Director Sitting fees:-			
(1) Mr. Mahesh Menon : Director		12,000	13,500
Mr. Mahendra Shah : Director		12,000	10,500

(12) Consequent to the issuance of Accounting Standard 22 "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India, which is mandatory, the Company has had Deferred Tax Assets (net) of Rs.748,336,646. In the opinion of the Board of Directors, it is unlikely that the Company would be able to take advantage of deferred tax assets in the near future and accordingly, deferred tax asset has not been considered.

Particulars	As at 31 st March 2009 Rupees	As at 31 st March 2008 Rupees
Deferred tax asset :		
(1) Provision for Non-Performing Assets and Diminution in the value of investments	29,626,008	116,701,494
(2) Expenditure accrued but not deductible for tax purposes allowable on actual payment	-	41,181,302
(3) Carry forward losses (including Unabsorbed Depreciation)	558,157,586	664,441,253
(4) Depreciation	22,364,914	-
Deferred tax liability :		
(1) Depreciation	-	10,401,075
(2) Reversal of interest expenditure on property under development	-	173,925,165
Deferred tax asset (net)	610,148,507	637,997,811

(13) (a) Details of Stock of Shares and Securities :-

Unquoted		
141,000 Equity Shares of Rs.10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	24,675,000
750,000 Equity Shares of Rs.10 each of Indo Daein Leather Limited	7,500,000	7,500,000
Quoted		
7 Equity Shares of Rs.10 each of Reliance Industries Ltd.	13,190	13,190
	<u>32,188,190</u>	<u>32,188,190</u>

(b) Quantitative Details :-

(i) Opening Stock		
Quantity (Nos.)	891,007	891,038
Value (Rs.)	32,188,190	32,188,190
(ii) Purchases / Received against Claims / Acquisition on Merger		
Quantity (Nos.)	-	7
Value (Rs.)	-	13,190
(iii) Sales / Reduction on Merger		
Quantity (Nos.)	-	38
Value (Rs.)	-	13,190
(iv) Closing Stock		
Quantity (Nos.)	891,007	891,007
Value (Rs.)	32,188,190	32,188,190

(14) Figures in the brackets pertain to the previous year. Figures for the previous year have been regrouped / rearranged wherever necessary.

Signatures to Schedules "A" to "P"

As per our report of even date

For MAHENDRA KUMBHAT & ASSOCIATES

Chartered Accountants

Amar Chand Bagrecha

Partner

Place : Mumbai

Date : July 31, 2009

Mahesh K. Rachh

Managing Director

Mahendra S. Shah

Director

Mahesh Menon

Director

P. B. Deshpande

Company Secretary

APPLE FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities :				
Net profit before tax and extraordinary items	987,926,199		-41,677,700	
Adjustments for :				
Depreciation	2,386,280		2,454,943	
Provision for Non-performing Assets and Investments written back	-65,116,954		-	
Profit/Loss on Sale of Assets and Investments	-992,298,950		293,159	
Interest paid	11,698,258		14,839,393	
Investment Income - Dividend / Interest	-1,858,116		-1,870,216	
		-1,045,189,482		15,717,279
Operating profit before working capital changes		-57,263,282		-25,960,422
Adjustments for :				
Trade and other receivables	-		-	
Inventories / Stock on hire	-		-	
Trade payables	177,867,911		5,057,040	
Loans and Advances (net)	-303,159,411		-443,424	
		-125,291,500		4,613,616
Cash generated from operations		-182,554,782		-21,346,805
Interest paid	-11,698,258		-14,839,393	
Direct taxes paid (-) / Refund of Income Tax (+)	-444,734		-7,177,963	
		-12,142,992		-22,017,356
Cash flow before extraordinary items		-194,697,774		-43,364,161
Extraordinary items		-148,957,874		-
Net cash from operating activities	A	-343,655,648		-43,364,161
B. Cash flow from investing activities :				
Purchase and sale of fixed assets including advances given for work-in-progress		3,737,815,892		-607,924
Investment redemption / Sold		1,230,000		900,000
Interest received		41,096		14,947
Dividend received		1,817,020		1,855,269
Net cash used in investing activities	B	3,740,904,008		2,162,292
C. Cash flow from financing activities				
Proceeds from long term borrowings (net)		-3,298,470,802		40,779,691
Net cash used in financing activities	C	-3,298,470,802		40,779,691
Net Increase / (decrease) in cash and cash equivalents(A+B+C)		98,777,558		-422,178
Cash and cash equivalents as at the beginning of the year (opening balance)		1,438,017		1,860,195
Cash and cash equivalents as at the end of the year (closing balance)		100,215,576		1,438,017

Notes :

- Cash and cash equivalents include cash and cheques in hand and balances with scheduled banks.
- Previous year's figures have been regrouped / rearranged wherever necessary.

For MAHENDRA KUMBHAT & ASSOCIATES

Chartered Accountants

Amar Chand Bagrecha

Partner

Place : Mumbai

Date : July 31, 2009

Mahesh K. Rachh

Managing Director

Mahendra S. Shah

Director

Mahesh Menon

Director

P. B. Deshpande

Company Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">3</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> <td style="border: 1px solid black; width: 20px; text-align: center;">6</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> </tr> </table>	3	7	7	6	7	State Code	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> </tr> </table>	1	1	
3	7	7	6	7							
1	1										
Balance Sheet	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">3</td> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">0</td> <td style="border: 1px solid black; width: 20px; text-align: center;">3</td> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">0</td> <td style="border: 1px solid black; width: 20px; text-align: center;">0</td> <td style="border: 1px solid black; width: 20px; text-align: center;">9</td> </tr> </table>	3	1	0	3	2	0	0	9		
3	1	0	3	2	0	0	9				
	Date	Month	Year								

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	Rights Issue						
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N	I	L					
N	I	L					
Bonus Issue Private Placement							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">N</td> <td style="border: 1px solid black; width: 20px; text-align: center;">I</td> <td style="border: 1px solid black; width: 20px; text-align: center;">L</td> </tr> </table>	N	I	L	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">N</td> <td style="border: 1px solid black; width: 20px; text-align: center;">I</td> <td style="border: 1px solid black; width: 20px; text-align: center;">L</td> </tr> </table>	N	I	L
N	I	L					
N	I	L					

III. Position of Mobilization and Deployment of Fund (Amount in Rs. Thousands)

Total Liabilities	Total Assets														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> <td style="border: 1px solid black; width: 20px; text-align: center;">9</td> <td style="border: 1px solid black; width: 20px; text-align: center;">8</td> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">3</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> </tr> </table>	1	7	9	8	2	3	7	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> <td style="border: 1px solid black; width: 20px; text-align: center;">9</td> <td style="border: 1px solid black; width: 20px; text-align: center;">8</td> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">3</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> </tr> </table>	1	7	9	8	2	3	7
1	7	9	8	2	3	7									
1	7	9	8	2	3	7									
Sources of Funds															
Paid-up Capital	Reserves & Surplus														
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5	5	6	7	0	1										
1	0	3	0	9	6	0									
Application of Funds															
Secured Loans	Unsecured Loans														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">0</td> <td style="border: 1px solid black; width: 20px; text-align: center;">5</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> <td style="border: 1px solid black; width: 20px; text-align: center;">6</td> </tr> </table>	2	1	0	5	7	6	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">0</td> <td style="border: 1px solid black; width: 20px; text-align: center;">5</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> <td style="border: 1px solid black; width: 20px; text-align: center;">6</td> </tr> </table>	2	1	0	5	7	6		
2	1	0	5	7	6										
2	1	0	5	7	6										
Net Fixed Assets	Investments														
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7	2	7	6	5											
8	9	4	4	0											
+ -	Misc. Expenditure														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">-</td> </tr> </table>	-	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">N</td> <td style="border: 1px solid black; width: 20px; text-align: center;">I</td> <td style="border: 1px solid black; width: 20px; text-align: center;">L</td> </tr> </table>	N	I	L										
-															
N	I	L													
Net Current Assets															
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">6</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> <td style="border: 1px solid black; width: 20px; text-align: center;">4</td> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">9</td> </tr> </table>	1	6	7	4	2	9									
1	6	7	4	2	9										
Accumulated Losses															
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1	4	6	8	6	0	3									

IV. Performance of Company (Amount in Rs. Thousand)

Turnover	Total Expenditure												
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9	9	4	2	4	1								
1	5	5	2	7	2								
+ -	Profit/Loss After Tax												
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(Please tick Appropriate box + for profit, - for loss)													
Earning Per Share in Rs.	Dividend (%)												
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V. Generic Names of Principal Products / Services of company (as per monetary term)

Item																							
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* Code No. for the services rendered by the Company is not available in the Publication of Indian Trade Classification for ITC Code of products by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Kolkata 700 001.

APPLE ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

Your Directors present the seventeenth Annual Report, together with the audited accounts for the year ended March 31, 2009.

REVIEW OF OPERATIONS

During the year under review, the Company did not carry out any business activity and posted loss of Rs.131.17 lacs.

Your Directors are exploring new business activity to be carried out by the Company.

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

DIRECTORS

Mr. Mahesh Raghavan Menon 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:

- i) 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.
- ii) 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.
- iii) 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.

- iv) the Directors have prepared the accounts for the year ended March 31, 2009 on a 'going concern' basis.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year under review.

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

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

During the year under review, there has been no income or outflow of foreign exchange.

AUDITORS

M/s. S. Madanmal Mehta & Co., Chartered Accountants, Auditors retire at the conclusion of the ensuing annual general meeting and are eligible for reappointment. You are requested to reappoint the Auditors and authorize the Board of Directors to fix their remuneration.

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.

For and on behalf of the Board

Mahendra S. Shah **Mahesh Menon**
Director Director

Place : Mumbai
Dated: May 28, 2009

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AUDITORS' REPORT

Auditors' Report to the members of Apple Asset Management Limited. We have audited the attached Balance Sheet of Apple Asset Management Limited ('the Company') as at 31st March 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto ('the financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, the Company has kept proper books of account as required by law so far as it appears from our examination of those books.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report of even date)

Matters required as per paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003

1. The Company was not having any fixed assets at the beginning of the financial year as well as there were no additions during the current financial year, hence clause (i) of paragraph 4 of the Order is not applicable to the Company.
2. The Company is in the business of rendering management service to Mutual Fund, and does not have inventories; hence clause (ii) of paragraph 4 of the Order is not applicable to the Company.
3. The Company has not granted any loans from/to companies, firms and other parties listed in the register maintained under Section 301 of the Act. However, the Company has taken unsecured loan of Rs.12,65,000 from its Holding Company. The terms and conditions of loan taken by the Company are *prima facie* not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are in general, adequate internal control procedures, commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets, and for sale of services and we have not observed any major weaknesses in internal control.
5. According to the information and explanations given to us, the Company has not entered into transactions requiring to be entered in the register maintained under Section 301 of the Act.
6. The Company has not accepted any deposits from public during the year and hence the provisions of Sections 58A and 58AA of the Act and the rules framed thereunder are not applicable.
7. The Company, with its current size and nature of the business, does not need internal audit to be carried out by an outside firm of Chartered Accountants.
8. We have been informed that the Central Government has not prescribed the maintenance of Cost records under Section 209(1)(d) of the Act.
9. We have been informed that during the year under review, the Company has regularly deposited all the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable. There were no arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.
10. The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth. The Company has incurred cash losses in the current financial year, and also in

- (iii) The Balance Sheet and Profit, and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
- (vi) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts and read with the other notes thereon, give the information required by the Act, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009; and;
 - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of cash flow for the year ended on that date.

For **S. MADANMAL MEHTA & CO.**
Chartered Accountants

S.M. Mehta
Proprietor

Membership Number : 42119

Place : Mumbai
Date : May 28, 2009

the immediately preceding financial year.

11. The Company has not defaulted in respect of payment of dues to banks, financial institutions and debenture-holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a *nidhi*/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments in shares, securities, debentures and other investments and timely entries have been made therein. Except for some cases, all the investments are held by the Company in its own name.
15. The Company has not given any guarantees for loans taken by other companies hence, clause (xv) of paragraph 4 of the Order is not applicable to the Company.
16. The Company has not obtained loans during the year; hence clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
17. The Company has raised short term funds during the year and same has been used for the purpose for which it is raised.
18. During the year, no preferential allotment of shares has been made to the parties and companies covered in the register maintained under Section 301 of the Act.
19. According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued any debentures, hence the question of creation of security does not arise.
20. Since the Company has not come out with public issue during the year, clause (xx) of the Order is not applicable.
21. No fraud on or by the Company has been noticed or reported during the year.

For **S. MADANMAL MEHTA & CO.**
Chartered Accountants

S.M. Mehta
Proprietor

Membership Number : 42119

Place : Mumbai
Date : May 28, 2009

APPLE ASSET MANAGEMENT LIMITED

BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	Schedule	As at		As at	
		31st March, 2009	31st March, 2008	31st March, 2009	31st March, 2008
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS:					
Shareholders' Fund					
Share Capital	"A"	112,000,000		112,000,000	
Unsecured Loan from Holding Company		1,265,000		465,000	
		<u>113,265,000</u>		<u>112,465,000</u>	
APPLICATION OF FUNDS:					
Investments:					
Current Assets, Loans and Advances:	"B"	10,681,443		23,006,981	
Current Assets	"C"	19,441		10,677	
Loans and Advances	"D"	60,161		60,161	
		<u>79,602</u>		<u>70,838</u>	
LESS:					
Current Liabilities and Provisions:					
Current Liabilities	"E"	22,133		22,339	
		<u>22,133</u>		<u>22,339</u>	
Net Current Assets		57,469		48,499	
Profit and Loss Account as per annexed Account		102,526,089		89,409,521	
		<u>113,265,000</u>		<u>112,465,000</u>	
Significant Accounting Policies	"H"				
Notes forming part of Accounts	"I"				
Schedules "A" to "I" form an integral part of the Accounts					

This is the Balance Sheet referred to in our report of even date

For **S. MADANMAL MEHTA & CO.**

Chartered Accountants

S. M. Mehta
Proprietor

Mahesh Menon
Director

Mahendra S. Shah
Director

Place : Mumbai

Date : 28th May, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Particulars	Schedule	For the year ended		For the year ended	
		31st March, 2009	31st March, 2008	31st March, 2009	31st March, 2008
		Rupees	Rupees	Rupees	Rupees
INCOME					
EXPENDITURE:					
Administrative and other expenses	"G"	791,030		804,236	
Provisions for diminution in the value of Investments		12,325,538			
			<u>13,116,568</u>		<u>804,236</u>
Profit / (Loss) for the year before tax		(13,116,568)		(803,316)	
Provision for Income Tax					
Profit / (Loss) after Tax		(13,116,568)		(803,316)	
Profit / (Loss) brought forward from previous year		(89,409,521)		(88,606,205)	
Balance carried to Balance Sheet		<u>(102,526,089)</u>		<u>(89,409,521)</u>	
Significant Accounting Policies	"H"				
Notes forming part of Accounts	"I"				
Schedules "A" to "I" form an integral part of the Accounts					

This is the Profit & Loss Account referred to in our report of even date

For **S. MADANMAL MEHTA & CO.**

Chartered Accountants

S. M. Mehta
Proprietor

Mahesh Menon
Director

Mahendra S. Shah
Director

Place : Mumbai

Date : 28th May, 2009

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SCHEDULES TO BALANCE SHEET

(Amount in Rupees)

Particulars		As at 31st March, 2009	As at 31st March, 2008
SCHEDULE "A" - SHARE CAPITAL			
AUTHORIZED			
5,000,000	Equity Shares of Rs. 10 each	50,000,000	50,000,000
7,700,000	Preference Shares of Rs. 10 each	77,000,000	77,000,000
		<u>127,000,000</u>	<u>127,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP			
5,000,000	Equity Shares of Rs. 10 each fully paid-up (All the shares are held by the holding company - Apple Finance Limited and its nominees)	50,000,000	50,000,000
6,200,000	14% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up (All the shares are held by the holding company - Apple Finance Limited and its nominees)	62,000,000	62,000,000
	TOTAL	<u>112,000,000</u>	<u>112,000,000</u>
SCHEDULE "B" - INVESTMENT (At Cost)			
(FULLY PAID UP UNLESS STATED OTHERWISE)			
	No. of Shares/Debtentures/ Bonds/Scripts	Face Value Rupees	As at 31st March, 2009
			As at 31st March, 2008
[UNQUOTED]			
	Deluxe Fabrics Limited	250,000	4,780,421
	Sesa Industries Limited	1,450	51,023
	Indo Deutsche Metallo Chimique Ltd.	145,000	24,539,919
	Union Motor Services Limited	366,667	8,806,560
	Armour Pharmaceuticals Limited	593,750	8,386,690
	TOTAL (A)		<u>46,564,613</u>
	DEBENTURES & BONDS [UNQUOTED]		
	18% Unsecured Redeemable	40,000	5,850,000
	Non-Convertible Debenture of Century Wood Limited		5,850,000
	TOTAL (B)		<u>5,850,000</u>
	TOTAL INVESTMENT (A + B)		<u>52,414,613</u>
	Less: Provision for diminution in the value of Investments.		<u>41,733,170</u>
	Net Investments		<u>10,681,443</u>
SCHEDULE "C"- CURRENT ASSETS			
Cash and Bank Balance			
	Cash in hand		4
	Balances with Scheduled Banks		
	In Current Accounts		19,437
	TOTAL		<u>19,441</u>
SCHEDULE "D"- LOANS AND ADVANCES (CONSIDERED GOOD)			
	Advance Income Tax and FDS		60,161
	TOTAL		<u>60,161</u>
SCHEDULE "E"- CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities			
	Duties and Taxes		6,695
	Sundry Creditors for Expenses		15,438
	TOTAL		<u>22,133</u>

APPLE ASSET MANAGEMENT LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT

(Amount in Rs.)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
SCHEDULE "F" - INCOME		
Interest on Income Tax refund	-	920
TOTAL	-	920
SCHEDULE "G"- ADMINISTRATIVE AND OTHER EXPENSES		
Audit Fees	11,030	11,236
Professional Fee	780,000	793,000
TOTAL	791,030	804,236

SCHEDULE "H" - SIGNIFICANT ACCOUNTING POLICIES

- Method of Accounting:
The Company maintains its accounts on accrual basis.
- Income and Expenses:
Income and expenses are accounted for on accrual basis.
- Investments:
Investments are shown at cost, after providing for diminution in the value of investments.

SCHEDULE "I" - NOTES FORMING PART OF THE ACCOUNTS

- Contingent Liability in respect of:
Dividend at the rate of 14% on Cumulative Redeemable Preference Shares amounting to Rs. 957.76 lacs (Previous year Rs. 870.96 lacs).
- In the opinion of the Board, current assets, loans and advances are stated at the value at which they will be realized in the ordinary course of business. Provision for all known liabilities have been made. No personal expenses have been charged to the Revenue Account.
- There are no separate reportable segments.
- (i) Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

	For the year ended 31st March 2009	For the year ended 31st March 2008
Name of related party:	Mahesh K. Rachh	Mahesh K Rachh
Nature of relationship:	Holding Company -M.D.	Holding Company-M.D.
Nature of transaction:	Professional Fees paid	Professional Fees paid
Transaction value:	Rs.780,000	Rs.780,000

- (ii) The Company has been advised that no provision is required for deferred tax in terms of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

- Figures for the previous year have been regrouped /rearranged wherever necessary.

Signature to Schedule "A" to "I"

As per our report of even date

For **S. MADANMAL MEHTA & CO.**
Chartered Accountants

S. M. Mehta
Proprietor

Mahesh Menon
Director

Mahendra S. Shah
Director

Place : Mumbai
Date : May 28, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

PARTICULARS	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities :				
Net profit before tax and extraordinary items		(13,116,568)		(803,316)
Adjustments for :				
Operating profit before working capital changes	(13,116,568)		(803,316)	
Adjustments for :				
Trade Payables	(206)		(65,599)	
		(206)		(65,599)
Cash generated from operations		(13,116,774)		(868,915)
Direct taxes paid (-) / Refund (+)			(15,784)	
			(15,784)	
Cash flow before extraordinary items		(13,116,774)		(884,699)
Net cash from operating activities	A	(13,116,774)		(884,699)
B. Cash flow from investing activities :				
Net cash used in investing activities	B	-		-
C. Cash flow from financing activities :				
Unsecured Loan from Holding Company		800,000		465,000
Net cash used in financing activities	C	800,000		465,000
Net Increase / (decrease) in cash and cash equivalents (A+B+C)		(12,316,774)		(419,699)
Cash and cash equivalents as at the beginning of the year (Opening balance)		10,677		430,376
Cash and cash equivalents as at the end of the year (Closing balance)		19,441		10,677

Notes :

1. Cash and cash equivalents include cash and cheques in hand and balances with scheduled banks.
2. Previous year's figures have been regrouped/rearranged wherever necessary.

For S. MADANMAL MEHTA & CO.

Chartered Accountants

S.M. Mehta
Proprietor

Mahesh Menon
Director

Mahendra S. Shah
Director

Place : Mumbai
Date : May 28, 2009

APPLE ASSET MANAGEMENT LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

	7	4	3	2	1
--	---	---	---	---	---

State Code

1	1
---	---

Balance Sheet

3	1	0	3	2	0	0	9
---	---	---	---	---	---	---	---

Date

Month

Year

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

III. Position of Mobilization and Deployment of Fund (Amount in Rs. Thousands)

Total Liabilities

			1	1	3	2	6	5
--	--	--	---	---	---	---	---	---

Total Assets

			1	1	3	2	6	5
--	--	--	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			1	1	2	0	0	0
--	--	--	---	---	---	---	---	---

Reserves & Surplus

						N	I	L
--	--	--	--	--	--	---	---	---

Secured Loans

						N	I	L
--	--	--	--	--	--	---	---	---

Unsecured Loans

					1	2	6	5
--	--	--	--	--	---	---	---	---

Application of Funds

Net Fixed Assets

						N	I	L
--	--	--	--	--	--	---	---	---

Investments

				1	0	6	8	1
--	--	--	--	---	---	---	---	---

Net Current Assets

							5	8
--	--	--	--	--	--	--	---	---

Misc. Expenditure

						N	I	L
--	--	--	--	--	--	---	---	---

Accumulated Losses

			1	0	2	5	2	6
--	--	--	---	---	---	---	---	---

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

--	--	--	--	--	--	--	--	--

Total Expenditure

				1	3	1	1	7
--	--	--	--	---	---	---	---	---

+ -

Profit/Loss Before Tax

				1	3	1	1	7
--	--	--	--	---	---	---	---	---

+ -

Profit/Loss After Tax

				1	3	1	1	7
--	--	--	--	---	---	---	---	---

(Please tick Appropriate box + for profit, - for loss)

Earning Per Share in Rs.

				0	0	0
--	--	--	--	---	---	---

Dividend (%)

				0	0	%
--	--	--	--	---	---	---

V. Generic Names of Principal Products/Services of company (as per monetary term)

Item

Code No. *

--	--	--	--	--	--	--	--	--

(ITC Code)

Product

M	U	T	U	A	L	F	U	N	D								
---	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--	--	--

Description

* Code No. for the services rendered by the Company is not available in the Publication of Indian Trade Classification for ITC Code of Products by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Kolkata 700 001.



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Apple Finance Limited
Mumbai

We have examined the attached Consolidated Balance Sheet of Apple Finance Limited ("the Company") and its subsidiary as at 31st March 2009 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are collectively hereinafter referred to as "the Consolidated Financial Statements".

These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material aspects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Apple Asset Management Limited, which reflect a total assets of Rs. 10,738,912 (excluding debit balance of Rs. 102,526,089 in the Profit and Loss Account) as at 31st March, 2009 and total revenue of Rs. Nil for the year ended on that date. These financial statements have been audited by other auditor, whose report has been furnished to us, and in our opinion, so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 regarding "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiary included in the Consolidated Financial Statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited statements of Apple Finance Limited and its subsidiary, we are of the opinion that the Consolidated Financial Statements give a true and fair view in conformity with the generally accepted accounting policies in India:

- a) in the case of Consolidated Balance Sheet, of the state of affairs of Apple Finance Limited and its subsidiary as at 31st March 2009;
- b) in the case of Consolidated Profit and Loss Account, of the results of operations of Apple Finance Limited and its subsidiary for the year ended 31st March 2009; and
- c) in the case of Consolidated Cash Flow Statement, of the Cash Flows of Apple Finance Limited and its subsidiary for the year ended 31st March 2009.

For Mahendra Kumbhat & Associates
Chartered Accountants

Amar Chand Bagrecha
Partner

Membership Number : 56605

Place: Mumbai
Date : July 31, 2009

APPLE FINANCE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	Schedule	As at		As at	
		31st March, 2009	31st March, 2008	31st March, 2009	31st March, 2008
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders' Funds :					
Share Capital	"A"	556,701,477		556,701,477	
Reserves and Surplus	"B"	1,030,959,604		666,727,940	
			1,587,661,081		1,223,429,417
Loan Funds :					
Secured Loans	"C"	-		3,331,010,420	
Unsecured Loans	"D"	210,575,981		179,046,783	
			210,575,981		3,510,057,203
			1,798,237,062		4,733,486,620
APPLICATION OF FUNDS					
Fixed Assets :					
Gross Block	"E"	133,547,691		133,547,691	
Less: Depreciation		60,782,855		58,396,574	
		72,764,837		75,151,116	
Work-in-Progress		-		2,382,295,698	
			72,764,837		2,457,446,814
Investments :					
Current Assets, Loans and Advances :					
Current Assets :					
Stock in Trade - Equity Shares		32,188,190		32,188,190	
Sundry Debtors				173,784,983	
Cash and Bank Balances		100,235,017		1,448,695	
		132,423,207		207,421,868	
Loans and Advances :					
	"H"	318,468,646		33,129,169	
		450,891,853		240,551,037	
Less:					
Current Liabilities and Provisions :					
Current Liabilities	"I"	197,094,714		19,231,864	
Provisions		241,308,892		485,158,216	
		438,403,606		504,390,080	
Net Current Assets					
Profit and Loss Account as per annexed Account			12,488,247		-263,839,043
			1,571,136,200		2,396,801,070
			1,798,237,062		4,733,486,620
Significant Accounting Policies					
Notes Forming Part of Accounts					

Schedules "A" to "P" form an integral part of the Accounts

This is the Balance Sheet referred to in our report of even date

For **MAHENDRA KUMBHAT & ASSOCIATES**

Chartered Accountants

Amar Chand Bagrecha
Partner

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place : Mumbai
Date : July 31, 2009

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

A

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Income from Operations	"J"	123,530		104,125	
Other Income	"K"	994,116,970		1,855,269	
			994,240,500		1,959,394
EXPENDITURE					
Employment Expenses	"L"	3,268,553		3,693,025	
Administrative and Other Expenses	"M"	54,868,643		23,448,475	
Interest and Bank Charges	"N"	11,698,808		14,843,967	
Provision for diminution in the value of Investments		12,325,538		-	
Provisioning for Non-performing assets and Investments		-65,116,954		-	
Written back					
Depreciation	"E"	2,386,280		2,454,943	
			19,430,868		44,440,410
Profit (+) / Loss (-) for the year before Tax			974,809,631		-42,481,016
Provision for Wealth Tax			41,657		42,523
Provision for Fringe Benefit Tax			145,230		150,000
Profit (+) / Loss (-) after Tax			974,622,744		-42,673,539
Prior Period Expenses (See Note below)			148,957,874		-
Profit (+) / Loss (-) after Tax and prior period items			825,664,870		-42,673,539
Add : Balance brought forward from previous year			-2,396,801,070		-2,354,127,532
Balance carried to Balance Sheet			-1,571,136,200		-2,396,801,070

Note : Prior period expenses are Ground Lease Rent payable to Mumbai Metropolitan Region Development Authority for period 1998 to 31.3.2008 with interest charged by them.

Significant Accounting Policies "O"

Notes Forming Part of Accounts "P"

Schedules "A" to "P" form an integral part of the Accounts

This is the Balance Sheet referred to in our report of even date

For MAHENDRA KUMBHAT & ASSOCIATES

Chartered Accountants

Amar Chand Bagrecha
Partner

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place : Mumbai
Date : July 31, 2009

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

SCHEDULES TO CONSOLIDATED BALANCE SHEET

		As at 31st March 2009	As at 31st March 2008
	Rupees	Rupees	Rupees
SCHEDULE "A" - SHARE CAPITAL			
Authorized			
75,000,000	Equity Shares of Rs.10 each	750,000,000	750,000,000
7,500,000	Preference Shares of Rs. 100 each	750,000,000	750,000,000
		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued and Subscribed			
55,673,122	Equity Shares of Rs. 10 each	556,731,220	556,731,220
		<u>556,731,220</u>	<u>556,731,220</u>
Paid-up			
55,673,122	Equity Shares of Rs. 10 each fully paid up	556,731,220	556,731,220
	Less : Call money receivable	29,743	29,743
	Paid-up Share Capital	<u>556,701,477</u>	<u>556,701,477</u>
SCHEDULE "B" - RESERVES AND SURPLUS			
General Reserve			
	Per last Balance Sheet	-	-
	Additions / (Reductions) during the year	400,000,000	-
		<u>400,000,000</u>	<u>-</u>
Capital Reserve			
	Per last Balance Sheet	6,933,420	6,933,420
Capital Reserve on settlement of Loans			
	Per last Balance Sheet	62,794,520	543,119,997
	Additions during the year on One-Time-Settlement	1,010,420	-480,325,477
	Additions during the year- Interest cost charged to Capital	363,221,244	-
		<u>427,026,184</u>	<u>62,794,520</u>
	Reserve in previous year capitalised to Capital Work In Progress (Refer Note No.1 below)		
Reserve Fund under Section 45IC(1) of the Reserve Bank of India Act,1934			
	Per last Balance Sheet	77,000,000	77,000,000
Capital Redemption Reserve			
	Per last Balance Sheet	20,000,000	20,000,000
Debenture Redemption Reserve			
	Per last Balance Sheet	500,000,000	500,000,000
	Additions / (Reductions) during the year	-400,000,000	-
		<u>100,000,000</u>	<u>500,000,000</u>
		<u>1,030,959,604</u>	<u>666,727,940</u>

Note No.1

During the Financial Year 2007-08, the Company had arrived at One-Time-Settlement with various lenders (Banks and UTI). Upon such One-Time-Settlement, additional amount of Rs. 59,04,58,876 has been paid to the lenders towards interest over and above the principal loan amount. The said interest was debited to the Capital Reserve of the Company. However, out of such interest expenses of Rs.59,04,58,876 an amount of Rs.36,32,21,244 (calculated on the basis of proportion between amount outstanding during respective years and total loans during the respective years, in the absence of a specific loan utilisation records) towards the capital Work-in-Progress i.e. property development expenses. Hence, in the current year, the Company has reversed the amount of Rs.36,32,21,244 from the Capital Reserve and added the same to the Capital Work-in-Progress.

APPLE FINANCE LIMITED

SCHEDULES TO CONSOLIDATED BALANCE SHEET

SCHEDULE "E" - FIXED ASSETS

(Amount in Rupees)

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-2008	Addition	Reduction / Deduction	As at 31-03-2009	Upto 31-03-2008	Provided During Year	Reduction / Deduction	Upto 31-03-2009	As at 31-03-2009	As at 31-03-2008
Land	955,066	--	--	955,066	--	--	--	--	955,066	955,066
Buildings *	90,493,130	--	--	90,493,130	23,601,371	--	--	23,601,371	66,891,759	66,891,759
Plant & Machinery	23,365,409	--	--	23,365,409	20,884,054	(550,664)	--	20,333,390	3,032,019	2,481,355
Furniture & Fixtures	16,418,560	--	--	16,418,560	13,252,515	--	--	13,252,515	3,166,045	3,166,045
Vehicles	2,315,525	--	--	2,315,525	658,634	--	--	658,634	1,656,891	1,656,891
Total Current Year	133,547,691	--	--	133,547,691	58,396,574	(550,664)	--	57,845,911	75,701,781	75,151,116
Total Previous Year	133,631,291	1,032,924	1,116,524	133,547,691	56,330,996	2,454,943	398,365	58,396,574	75,151,116	77,291,294

* Buildings include value of properties in Co-operative Societies including shares of respective societies.

SCHEDULE "F" - INVESTMENT (at cost)

(FULLY PAID-UP UNLESS STATED OTHERWISE)

	Number of Shares/Debentures/ Bonds/Scripts	Face Value Rupees	As at 31st March, 2009	(Rupees) As at 31st March, 2008
TRADE INVESTMENTS - EQUITY SHARES				
[QUOTED]				
Ambika Cotton Mills Limited	180,233	10	8,651,200	8,651,200
Anjani Solvents India Limited	74,853	10	748,530	748,530
Anod Plasma Spray Limited	75,000	10	750,000	750,000
Cipla Limited	238,850	2	4,267,390	4,267,390
Dr. Reddy's Laboratories Limited	33,300	5	8,089,402	8,089,402
Godrej Consumer Products Limited	213,472	1	3,415,552	3,415,552
Gujarat State Financial Corporation	23,400	10	468,000	468,000
Indian Lead Limited	332,066	10	12,331,200	12,331,200
Inland Printers Limited	33,300	10	1,998,000	1,998,000
Pittie Cements & Industries Limited	118,126	10	12,993,860	12,993,860
Sagar Tourist Resorts Limited	21,342	10	213,420	213,420
Seasons Furnishings Limited	16,900	10	169,000	169,000
Shri Renuga Textiles Limited	40,000	10	6,000,000	6,000,000
Sunshield Chemicals Limited	9,900	10	326,700	326,700
Vital Foods Limited	93,900	10	1,032,900	1,032,900
SUB TOTAL			61,455,154	61,455,154
[UNQUOTED]				
Aldrich Pharmaceutical Limited	210,000	10	7,035,000	7,035,000
Anand Health Equipment Private Limited (Previous Year 4,800 Shares of Rs.100 each)			--	480,000
Deluxe Fabrics Limited	250,000	10	2,500,000	2,500,000
Gujarat Venture Capital Fund - 1995 (Rs. 750,000 redeemed during the year)	N.A.	N.A.	--	750,000
IAEC Industries Madras Limited	150,000	10	6,000,000	6,000,000
Prashanth Textiles Limited	291,666	10	12,950,000	12,950,000
Sesa Industries Limited	1,450	10	32,625	32,625
Spectrum Alkyd & Resins Limited	133,333	10	1,500,000	1,500,000
Vijaya Home Loans Limited	50,000	10	500,000	500,000
Indo Deutsche Metallo Chimique Limited	145,000	10	25,375,000	25,375,000
Union Motor Services Limited	366,667	10	11,000,000	11,000,000
Armour Pharmaceuticals Limited	593,750	10	9,500,000	9,500,000
SUB TOTAL			76,392,625	77,622,625
TOTAL (A)			137,847,779	139,077,779



SCHEDULES TO CONSOLIDATED BALANCE SHEET

		As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
DEBENTURES & BONDS [UNQUOTED]			
18.00% Unsecured Redeemable Non-Convertible Debenture of Century Wood Limited	40,000	100	4,000,000
TOTAL (B)			4,000,000
TOTAL INVESTMENT (A + B)		141,847,779	143,077,779
		Cost (Rupees)	Market Value (Rupees)
Aggregate Value of Quoted Investment Previous Year		61,455,154	106,646,312
Aggregate Value of Unquoted Investment Previous Year		(61,455,154)	(117,610,328)
TOTAL		80,392,625	
Previous Year		(81,622,625)	
		141,847,779	
		(143,077,779)	
SCHEDULE "G" - CURRENT ASSETS			
Stock-in-Trade - Shares and Securities (at cost)		32,188,190	32,188,190
Sundry Debtors (net of Security Deposits)			
Due over six months		-	173,784,983
Cash and Bank Balances			
Cash	11,491		95,634
Balances with Scheduled Banks (including cheques in hand)			
In Fixed Deposit Accounts	100,039,704		39,704
In Current Accounts	183,822		1,313,357
		100,235,017	1,448,695
		100,235,017	175,233,678
SCHEDULE "H" - LOANS AND ADVANCES (UNSECURED - CONSIDERED GOOD)			
Deposits		444,938	414,938
Advances recoverable in cash or in kind or for value to be received (net) (Refer Note No. 1 below.)		310,002,922	24,951,292
Advance Income Tax / Sales Tax (Net of Provision)		8,020,786	7,762,940
		318,468,646	33,129,169
Note No. 1 :			
Advances include receivable from Kotak Mahindra Bank Limited towards sale of Apple Tower part consideration of Rs.30,35,28,810 which is held by Kotak Mahindra Bank Limited for liabilities towards Ground Lease Rent and other charges mentioned below.			
i) To make payments of Ground Lease Rent of Apple Tower.			
ii) To meet contingent liability of charges for extension of time for completion of construction of Apple Tower at Bandra-Kurla Complex, payable to Mumbai Metropolitan Region Development Authority.			
iii) Balance payment after making payment of Ground Lease Rent for Apple Tower and contingent liability as referred to in (ii) above.			
SCHEDULE "I" - CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities			
Sundry Creditors	5,167,918		5,420,392
Other Liabilities	191,926,796		13,811,472
		197,094,714	19,231,864
Provisions			
Provision for Non-performing Assets and Investments			
Opening Balance	484,748,302		484,748,302
Less : Additions made during the year	12,325,538		-
Less : Excess Provisions written back	65,116,954		-
Less : Provision adjuted against actual write offs	191,062,764		-
	240,894,122		484,748,302
Provision for Leave Encashment	414,770		409,914
		241,308,892	485,158,216
		438,403,606	504,390,080

APPLE FINANCE LIMITED

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "J" - INCOME FROM OPERATIONS				
Income from Hire-Purchase		32,350		63,215
Interest (tax deducted at source Rs.Nil ; Previous year Rs. Nil)		41,096		15,868
Bad Debts recovered		50,084		25,042
		<u>123,530</u>		<u>104,125</u>
SCHEDULE "K" - OTHER INCOME				
Capital Gain on sale of Apple Tower property (Refer to Note No. 1 of Schedule "B")		992,298,950		-
Dividend Income		1,817,020		1,855,269
Misc. Income		1,000		-
		<u>994,116,970</u>		<u>1,855,269</u>
SCHEDULE "L" - EMPLOYMENT EXPENSES				
Salary and other Allowances		2,465,650		2,855,383
Contribution to Provident and other Funds		487,761		558,423
Welfare Expenses		315,142		279,219
		<u>3,268,553</u>		<u>3,693,025</u>
SCHEDULE "M" - ADMINISTRATIVE AND OTHER EXPENSES				
Rent		250,400		242,400
Rates and Taxes		26,858,515		4,287,216
Travelling and Conveyance Expenses		1,155,226		1,436,452
Electricity Charges		547,966		414,002
Communication Expenses		273,666		268,877
Repairs and Maintenance				
- Buildings	23,920		112,626	
- Plant and Machinery	39,323		17,684	
- Others	15,601		25,620	
			<u>78,844</u>	<u>155,930</u>
Directors' Sitting Fees		24,000		24,000
Printing and Stationery		45,682		67,508
Auditors' Remuneration				
- Audit Fees	310,000		310,000	
- Tax Audit Fees	100,000		-	
- Service Tax	42,230		38,316	
- Others	-		44,944	
			<u>452,230</u>	<u>393,260</u>
Legal and Professional Fees		14,638,357		12,289,793
Registrar and Share Transfers Expenses		6,990,760		773,127
AGM Expenses		1,849,594		1,810,574
Insurance		666,835		20,755
Debts / Assets Written off	191,062,764		-	
Less : Appropriated out of Provisions	<u>191,062,764</u>			
Service Charges		199,088		238,364
Loss on Assets Sold / Discarded		-		293,159
Interest Tax Paid		-		-
Miscellaneous Expenses		837,481		733,058
		<u>54,868,643</u>		<u>23,448,475</u>
SCHEDULE "N" - INTEREST AND BANK CHARGES				
Interest		11,698,258		14,839,393
Bank Charges		550		4,574
		<u>11,698,808</u>		<u>14,843,967</u>

a

ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS OF APPLE FINANCE LIMITED

SCHEDULE "O" SIGNIFICANT ACCOUNTING POLICIES:

A. Principle of consolidation:

The Consolidated Financial Statements relate to Apple Finance Limited ("the Company") and its subsidiary. The Consolidated Financial Statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-company balances and intra-company transactions resulting in unrealized profits or losses.
- (ii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

B. Other significant accounting policies:

1. Accounting Convention and Concepts:

The Company follows the Historical Cost Convention and the Mercantile System of Accounting where the income and expenditure are recognised on accrual basis.

2. Income:

Income from leasing is accounted on accrual and due basis. Income from hire-purchase is accounted on sum of digit method. Other income is accounted on accrual basis.

Sales coincide with delivery, unless otherwise contractually agreed or required to be delivered later under a general business practice.

3. Fixed Assets:

Fixed assets are valued at cost less depreciation. Cost includes all expenses incurred for acquisition of assets.

Amount received on assignments of future lease rentals in respect of lease contracts is included in the Current Liabilities.

4. Depreciation:

The Company provides depreciation on straight-line method on a pro-rata basis on completed month basis at the rate specified in Schedule XIV to the Companies Act, 1956. However, depreciation on non-performing lease and discarded own assets has been increased by the lease equalization charge and additional depreciation to write off the substantial part of the assets over the period of lease/use.

5. Investments:

All investments are stated at cost of acquisition. The investments sold during the year are accounted on first-in-first-out basis and investments purchased and sold during the year are shown on net basis. Provision is made for diminution in the value of investments, wherever required.

6. Foreign Currency Transaction:

- i) Loans and Deferred Credits repayable in foreign currency and outstanding on the date of the Balance Sheet are expressed in Indian currency at appropriate rate of exchange prevailing on the date of the Balance Sheet, except in the cases where the borrowings are covered under forward exchange contract and/or currency fluctuation risk is contracted to be borne by the lessee.
- ii) Payments made in foreign currency towards revenue expenditure are converted at the rate prevailing on the date of remittance.
- iii) The cost of foreign exchange forward contract cover in respect of foreign currency loan is apportioned pro-rata over a period of cover and charged to the Profit and Loss Account.

7. Valuation of Stocks:

- a) Stock-on-hire is valued at agreement value less instalments, which have fallen due, and unmatured finance charges.
- b) Stock of shares and securities is valued at cost and includes advance payment for subscription towards shares and debentures.

8. Retirement Benefits:

The provision for retirement benefits such as provident fund, gratuity and superannuation is made for employees from the date of their respective appointment.

- (i) Company's contribution to Provident Fund, Pension Fund, Superannuation Fund and other fund is charged to Profit and Loss Account.
- (ii) The amount of Gratuity liability as ascertained on the basis of actuarial valuation by Life Insurance Corporation of India is paid/provided and charged to the Profit and Loss Account.
- (iii) Provision is made towards liability for leave encashment.

9. Premium on Redemption of Debentures:

Liability in respect of premium payable on redemption of debentures is accounted at the time of redemption of the debentures and is included as Interest on Debentures.

10. Work-in-Progress:

Work-in-Progress includes cost of assets, advances made for project and for acquisition of asset and interest upto 31st December, 2000 on the funds deployed.

APPLE FINANCE LIMITED

11. Contingency Reserve:

The Company creates Contingency Reserve by transfer from the General Reserve/Share Premium Account and/or Profit and Loss Account to provide for diminution in the value of unquoted investments, non-performing assets and for providing other liabilities. The amount utilized during the year-out of the Contingency Reserve is adjusted to/from the respective assets / liabilities.

12. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss account. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

SCHEDULE "P" - NOTES TO CONSOLIDATED ACCOUNTS

Notes forming part of the Accounts for the year ended 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
(1) As the business was unviable, the Company had surrendered its Certificate of Registration of Non-Banking Financial Institution to Reserve Bank of India. Reserve Bank of India has cancelled the said Certificate of Registration vide letter No. DNBS. MRO.No.4716 & 4869 / 02.01.60.Apple / 2003-04 dated January 13, 2004 and January 18, 2004. In view of this, in terms of Section 45-IA of the RBI Act, 1934, now the Company is not entitled to carry on the business of Non-Banking Financial Institution. However, the Company can in future carry on the business of Non-Banking Financial Institution after taking necessary approval from Reserve Bank of India and hence, accounts are prepared on the Going Concern Basis and Historical Cost Method.		
(2) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	6,172,090
(3) Contingent Liabilities in respect of :		
(a) Guarantees issued for other companies for loans	-	100,000,000
(b) Pending appeals under Sales Tax laws of various states and Interest Tax. (As per the advice received by the Company, the Company does not expect any liability on this account and hence, no provision has been made).	-	7,027,726
(c) Claims against Company not acknowledge as debts	100,000,000	-
(d) There is a contingent liability towards charges for extension of time for completing constructions of Apple Tower at Bandra Kurla Complex, payable to Mumbai Metropolitan Region Development Authority.	107,816,237	-
(4) Legal proceedings instituted by the Banks, Corporates, Financial Institutions and Debenture Trustees for their alleged claim (net of book balances)	-	973,532,924
(5) (a) As the Company has offered to settle the outstanding dues payable to all the Banks, Financial Institutions and Debentureholders of the Company through one-time settlement proposals, no interest has been provided on such outstanding. Interest expense will be accounted on payment basis. The Company has accordingly not provided for the estimated interest expense for the current year amounting to Rs. Nil (Rs.263,890,302):		
(b) The Company could not correctly ascertain and provide for the liability in respect of interest, as some of the banks have not furnished the calculation on Cash Credit/Loan accounts to the Company.		
(6) The Company has been advised that it does not have taxable income under the Income-tax Act, 1961 for the current financial year and accordingly, no provision for Income Tax has been made in the Profit and Loss Account of the Company.		
Further, Wealth Tax is accounted in the year in which it is paid and hence, no provision for Wealth Tax has been made in the Profit and Loss Account of the Company.		
(7) (a) All investments are in the name of the Company, except those under transfer/delivery.		
(b) All the investments are held by the Company as long term investments, except shown as stock-in-trade.		
(8) Remuneration to Directors :		
(a) Remuneration paid to the Managing and Executive Directors :		
	For the year ended 31st March 2009 Rupees	For the year ended 31st March 2008 Rupees
Salaries and Contribution to Provident and other funds	1,005,131	1,418,888
Perquisites *	-	-
Total	1,005,131	1,418,888

* Value of perquisites is determined as per the Income-tax Rules.

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(b) Since no commission is paid/payable to any Director, the computation of profits under Section 349 of the Companies Act, 1956 has not been made.

(9) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.

(10) There are no separate reportable segments.

(11) Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below :

Name of related party and nature of relationship	Nature of transaction	For the year ended 31st March 2009 Rupees	For the year ended 31st March 2008 Rupees
(i) Directors / Key Management Personnel : Remuneration:-			
(1) Mr. Mahesh K. Rachh : Managing Director		1,005,131	1,009,471
(2) Mr. Ashit J. Sheth : Executive Director (Resigned w.e.f. 30th Spetember, 2007)		-	409,417
(ii) Directors and their relatives -Professional Fees:-			
(1) Mr. Mahesh K. Rachh : Managing Director		780,000	780,000
(2) Mrs. Anita Mahesh Menon : Director 's wife		143,700	130,000
(3) Mrs. Harsha Ashit Sheth : Director 's wife			26,000
iii) Director Sitting fees:-			
(1) Mr. Mahesh Menon : Director		12,000	13,500
(2) Mr. Mahendra Shah : Director		12,000	10,500

(12) Consequent to the issuance of Accounting Standard 22 "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India, which is mandatory, the Company has had Deferred Tax Assets (net) of Rs.748,336,646. In the opinion of the Board of Directors, it is unlikely that the Company would be able to take advantage of deferred tax assets in the near future and accordingly, deferred tax asset has not been considered.

Particulars	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
Deferred tax asset :		
(1) Provision for Non-Performing Assets and Diminution in the value of investments	29,626,008	116,701,494
(2) Expenditure accrued but not deductible for tax purposes allowable on actual payment	-	41,181,302
(3) Carry forward losses (including Unabsorbed Depreciation)	558,157,586	664,441,253
(4) Depreciation	22,364,914	-
Deferred tax liability :		
(1) Depreciation	-	10,401,075
(2) Reversal of interest expenditure on property under development	-	173,925,165
Deferred tax asset (net)	610,148,507	637,997,811

(13)(a) Details of Stock of Shares and Securities :-

Unquoted:-		
141,000 Equity Shares of Rs.10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	24,675,000
750,000 Equity Shares of Rs.10 each of Indo Daeim Leather Limited	7,500,000	7,500,000
Quoted:-		
7 Equity Shares of Rs.10 each of Reliance Industries Ltd.	13,190	13,190
	32,188,190	32,188,190

(b) Quantitative Details :-

(i) Opening Stock		
Quantity (Nos.)	891,007	891,038
Value (Rs.)	32,188,190	32,188,190

APPLE FINANCE LIMITED

(ii) Purchases / Received against Claims / Acquisition on Merger		
Quantity (Nos.)		7
Value (Rs.)		13,190
(iii) Sales / Reduction on Merger		
Quantity (Nos.)		38
Value (Rs.)		13,190
(iv) Closing Stock		
Quantity (Nos.)	891,007	891,007
Value (Rs.)	32,188,190	32,188,190

(14) Figures in the brackets pertain to the previous year. Figures for the previous year have been regrouped / rearranged wherever necessary.
Signatures to Schedules "A" to "P"

As per our report of even date

For **MAHENDRA KUMBHAT & ASSOCIATES**
Chartered Accountants

Amar Chand Bagrecha
Partner

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place : Mumbai
Date : July 31, 2009

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

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**CONSOLIDATED CASH FLOW STATEMENT OF APPLE FINANCE LIMITED AND ITS
SUBSIDIARY COMPANY FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	As at		As at	
	31st March, 2009	31st March, 2008	31st March, 2009	31st March, 2008
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities :				
Net profit before tax and extraordinary items		974,809,631		-42,481,016
Adjustments for :				
Depreciation	2,386,280		2,454,943	
Provision for diminution in the value of Investments	12,325,538			
Provision for Non-performing Assets and Investments written back	-65,116,954			
Profit/Loss on Sale of Assets and Investments	-992,298,950		293,159	
Interest paid	11,698,258		14,839,393	
Investment Income - Dividend / Interest	-1,858,116		-1,871,137	
		(1,032,863,944)		15,716,358
Operating profit before working capital changes		-58,054,312		-26,764,658
Adjustments for :				
Trade and other receivables				
Inventories/Stock on hire				
Trade payables	177,867,706		4,991,441	
Loans and Advances (net)	-302,359,411		21,576	
		-124,491,705		5,013,017
Cash generated from operations		-182,546,018		-21,751,641
Interest paid	-11,698,258		-14,839,393	
Direct taxes paid (-) / Refund of Income Tax (+)	-444,734		-7,193,747	
		-12,142,992		-22,033,140
Cash flow before extraordinary items		-194,689,009		-43,784,781
Extraordinary items		-148,957,874		
Net cash from operating activities	A	-343,646,883		-43,784,781
B. Cash flow from investing activities :				
Purchase and sale of fixed assets including advances given for work-in-progress		3,737,815,892		-607,924
Investment redemption / Sold		1,230,000		900,000
Interest received		41,096		15,868
Dividend received		1,817,020		1,855,269
Net cash used in investing activities	B	3,740,904,008		2,163,213
C. Cash flow from financing activities				
Proceeds from long term borrowings (net)		-3,298,470,802		40,779,691
Net cash used in financing activities	C	-3,298,470,802		40,779,691
Net Increase / (decrease) in cash and cash equivalents (A+B+C)		98,786,323		-841,878
Cash and cash equivalents as at the beginning of the year (opening balance)		1,448,695		2,290,571
Cash and cash equivalents as at the end of the year (closing balance)		100,235,017		1,448,695

Notes :

- Cash and cash equivalents include cash and cheques in hand and balances with scheduled banks.
- Previous year's figures have been regrouped/rearranged wherever necessary.

This is the Balance Sheet referred to in our report of even date

For MAHENDRA KUMBHAT & ASSOCIATES

Chartered Accountants

Amar Chand Bagrecha
Partner

Place : Mumbai
Date : July 31, 2009

Mahesh K. Rachh
Managing Director

Mahendra S. Shah
Director

Mahesh Menon
Director

P. B. Deshpande
Company Secretary



APPLE FINANCE LIMITED

Registered Office : 8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023

ATTENDANCE SLIP

23RD ANNUAL GENERAL MEETING - SEPTEMBER 29, 2009, 3.00 P.M.

Regd. Folio No DP Id Client Id

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 23rd Annual General Meeting of the Company at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 2, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 on Tuesday, September 29, 2009.

Member's / Proxy's name in BLOCK LETTERS

Member's / Proxy's Signature

Note : Please fill out this attendance slip and hand it over at the ENTRANCE OF THE HALL

(TEAR HERE)



APPLE FINANCE LIMITED

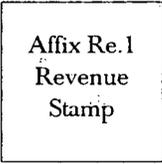
Registered Office : 8 Apeejay House, 130 Mumbai Samachar Marg, Mumbai 400 023

PROXY

I/We of in the district of being a member / members of the above Company hereby appoint of in the district of or failing him in the district of as my / our Proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held at 3.00 p.m., on Tuesday, September 29, 2009, and at every adjournment thereof.

Signed this day of 2009

Signature



Regd. Folio No DP Id Client Id

Notes :

1. Proxy need not be a member.
2. This form in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

(TEAR HERE)

BOOK-POST

IF UNDELIVERED, PLEASE RETURN TO:

Sharepro Services (India) Pvt. Ltd., Unit : Apple Finance Limited, 13AB, Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri(East), Mumbai 400 072.

CRYSTAL (022) - 6614 0900
cfi_mum@crystalforms.com