

APPLE FINANCE LIMITED

27TH ANNUAL REPORT 2012 - 2013

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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

27TH ANNUAL GENERAL MEETING

On Wednesday, September 25, 2013
at 3.30 p.m. at M. C. Ghia Hall
Bhogilal Hargovindas Building, Floor 4
18/20 Kaikhushru Dubash Marg
Mumbai 400 001

REGISTRAR & TRANSFER AGENTS

Sharepro Services (India) Pvt. Ltd.
13AB, Samhita Warehousing Complex, Floor 2
Sakinaka Telephone Exchange Lane
Off Andheri-Kurla Road, Sakinaka
Andheri (East), Mumbai 400 072
Phone: 6772 0400
Fax: 2859 1568

APPLE FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of the members of Apple Finance Limited will be held on Wednesday, September 25, 2013 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, 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. Mahendra S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Messrs Mahendra Kumbhat & Associates, Chartered Accountants, the retiring Auditors, as the Auditors of the Company, and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:

“RESOLVED THAT the reappointment of Mr. Mahesh K. Rachh as the Managing Director of the Company subject to Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and also subject to the approval of the Central Government, if required, for a period of one year with effect from August 9, 2013 made by the Board of Directors (“the Board”) of the Company vide its resolution dated May 30, 2013 and the remuneration payable to Mr. Mahesh K. Rachh pursuant to the aforesaid resolution and as set out in the Explanatory Statement annexed to this Notice, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Mahesh K. Rachh, Managing Director shall be liable to retire by rotation.

AND THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper.”

By Order of the Board of Directors

P. B. Deshpande
Company Secretary

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

Date: May 30, 2013

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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution/authority, as applicable.

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 at the following address: Sharepro Services (India) Pvt. Ltd., 13 AB Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 19, 2013 to Wednesday, September 25, 2013 (both days inclusive).
5. Members/Proxies should bring the attendance slip sent herewith duly filled out for attending the meeting.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. The Company has transferred all the unclaimed amounts of dividends as well as public deposits and interest thereon to the Investor Education and Protection Fund (“IEPF”) of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.
8. Members who hold shares in 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. The Company's Registrar and Transfer Agents on request will supply blank forms. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.
9. Shareholders are requested to bring their copy of Annual Report to the Meeting.

Annexure to the Notice

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

Item No.4

As the current period of appointment of Mr. Mahesh K. Rachh as the Managing Director of the Company will expire on August 8, 2013, the Board of Directors (“the Board”) has in its meeting held on May

a

30, 2013 reappointed Mr. Mahesh K. Rachh as the Managing Director of the Company.

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

Term - 1 (one) year with effect from August 9, 2013, subject to earlier termination by either the Company or him by three months' prior notice.

Salary including perquisites, ex-gratia and other allowances not exceeding ₹18,00,000 (Rupees eighteen lac only) per annum.

In addition, Mr. Mahesh K. Rachh will be allowed the following benefits:-

- The Company shall pay annual premium towards personal accident insurance as per the rules of the Company.
- The Company shall pay fees of clubs as per the rules of the Company, subject to a maximum of two clubs. This will, however, not include admission and life membership fee.

Mr. Mahesh K. Rachh will also be entitled to the following perquisites, which will not be included in the computation of ceiling on remuneration specified above:

- Gratuity: Payable as per the rules of the Group Gratuity Scheme of the Company.
- Encashment of leave at the end of the tenure.

The perquisites, wherever applicable, shall be evaluated as per the Income-tax Rules, 1962.

Mr. Mahesh K. Rachh, so long as he functions as the Managing Director, shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

Where in any financial year during the term of office of Mr. Mahesh K. Rachh as the Managing Director, the Company has no profits or its profits are inadequate, the Board shall be entitled to pay to Mr. Mahesh K. Rachh such remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force.

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

The Board commends the resolution for acceptance by the members.

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

By Order of the Board of Directors

P. B. Deshpande
Company Secretary

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

Date: May 30, 2013

APPLE FINANCE LIMITED

DIRECTORS' REPORT

Your Directors present their twenty-seventh Annual Report on the business and operations of your Company and the audited financial statements for the financial year ended March 31, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial results of your Company for the year ended March 31, 2013 as compared to the previous year are summarized below:-

	₹ lacs	
	Year ended 31.03.2013	Year ended 31.03.2012
Gross Income	150.96	168.75
Profit/(Loss) before Depreciation And Taxation	10.50	37.52
Less: Depreciation	19.79	20.82
Profit/(Loss) before Taxation	(9.29)	16.70
Provision for Taxation	0.04	0.06
Net Profit/(Loss) after Taxation	(9.33)	16.64

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

On account of loss, your Directors regret their inability to recommend Dividend.

SUBSIDIARY

As per the general exemption granted by the Ministry of Corporate Affairs, Government of India vide General Circular No.2/2011 File No.5/12/2007-CL-III dated February 8, 2011 and as per the consent accorded by the Board of Directors of the Company at its meeting held on May 30, 2013 for not attaching the Annual Accounts of the subsidiary company, the Annual Accounts of Apple Asset Management Limited have not been attached to the Annual Accounts of the Company. Financial information of the subsidiary company, as required by the aforesaid Circular is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same, on request. The Annual Accounts of the subsidiary company will also be kept open for inspection by any shareholder of the Company at the Registered Office of the Company.

The Consolidated Financial Statements presented by the Company include the financial information of its subsidiary company, Apple Asset Management Limited.

DIRECTORS

Mr. Mahendra S. Shah 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 BSE Limited, is given in the section on Corporate Governance annexed to the Annual Report.

Mr. Mahesh K. Rachh, Director is sought to be reappointed as the Managing Director.

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, 2013, 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 financial year and of the loss 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, 2013 on a 'going concern' basis.

CORPORATE GOVERNANCE

A report on Corporate Governance stipulated by Clause 49 of the Listing Agreement is annexed hereto and forms part of this Annual Report.

DEPOSITORIES

As the Members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

In view of the numerous advantages offered by the Depository system, Members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

At present, 72.96% of the paid-up equity share capital of the Company is held in dematerialized form.

PUBLIC DEPOSITS

The Company, during the year under review, has not accepted any deposits from public. The Company had no unclaimed or unpaid deposits as on March 31, 2013.



AUDITORS

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

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

AUDITORS' REPORT

As regards observations of the Auditors under the head 'Opinion' in the Independent Auditors' Report, attention of the members is invited to Note Nos.19(1) and 19(11) to the Annual Accounts, which are self-explanatory.

PARTICULARS OF EMPLOYEES

There are no employees within the purview of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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

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

There was no income or outflow of foreign exchange during the year under review.

EMPLOYEE RELATIONS

The relations with the employees continued to be cordial.

ACKNOWLEDGEMENTS

Your Directors wish to express their gratitude to the shareholders for their support. They also wish to acknowledge the spirit of dedication, commitment and cooperation extended by our employees at all levels.

For and on behalf of the Board

Mahesh K. Rachh **Mahendra S. Shah**
Managing Director *Director*

Place: Mumbai

Date: May 30, 2013

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with BSE Limited)

I. Company's Philosophy:-

The Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the Code of Corporate Governance in its true spirit. The Company's philosophy in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders' value without compromising in any way in complying with the applicable laws.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavors to strike a right balance with its various stakeholders.

II. Board of Directors:-

A. Composition, category of Directors and their other directorships and committee memberships as on May 30, 2013:-

Name of the Director	Category of Directorship	No. of other Directorships held in other Companies	No. of other Committee Memberships
Mr. Mahesh K. Rachh	Managing Director (Executive Director)	4	Nil
Mr. Mahesh Raghavan Menon	Director (Non-Executive and Independent Director)	1	Nil
Mr. Mahendra S. Shah	Director (Non-Executive and Independent Director)	1	Nil

The Company does not have a designated Chairman.

Four meetings of the Board of Directors were held during the financial year ended March 31, 2013. The dates on which the Board meetings were held are as follows:-

May 30, 2012, July 18, 2012, November 12, 2012 and February 14, 2013.

The attendance of the Directors at the Board meetings and at the last Annual General Meeting is given below:

Name of the Director	Board meetings attended	Attendance at the last Annual General Meeting held on September 25, 2012
Mr. Mahesh K. Rachh	4	Present
Mr. Mahesh Raghavan Menon	4	Present
Mr. Mahendra S. Shah	4	Not Present

APPLE FINANCE LIMITED

B. Remuneration to Directors for the year 2012-2013:-

Name of Director	Salary and Allowances	Contribution to Provident Fund and Superannuation Fund	Sitting Fees
	(₹)	(₹)	(₹)
Mr. Mahesh K. Rachh	16,66,782	2,72,160	Nil
Mr. Mahesh Raghavan Menon	Nil	Nil	6,000
Mr. Mahendra S. Shah	Nil	Nil	6,000

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

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

Mr. Mahendra Shantilal Shah, aged 55, has been the Director of the Company since June 2007. Mr. Shah is B. A. from the University of Mumbai and has over 31 years' experience in managing business. He does not hold Directorship of any other company.

III. Audit Committee:-

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

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

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

The Audit Committee comprises three Directors viz., Mr. Mahesh K. Rachh, Mr. Mahesh Raghavan Menon and Mr. Mahendra S. Shah. The Chairman of the Audit Committee is Mr. Mahesh Raghavan Menon. All the Members of the Audit Committee are financially literate and have relevant financial expertise. The quorum for the Audit Committee meeting is two members with at least two independent Directors present at the meeting. No personnel were denied access to the Audit Committee.

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

During the financial year ended March 31, 2013, the Audit Committee met four times i.e. on May 30, 2012, July 18, 2012, November 12, 2012 and February 14, 2013.

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

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

IV. Remuneration Committee:-

The Company's Remuneration Committee comprises independent and Non-Executive Directors, Mr. Mahesh Raghavan Menon and Mr. Mahendra S. Shah. The broad terms of reference are to appraise the performance of the Managing Director, determine and recommend to the Board, compensation payable to him, details of which are included in this Report. Mr. Mahendra S. Shah is the Chairman of the Remuneration Committee.

Payment of remuneration to the Managing Director is as per his appointment. The terms of his appointment were approved by the Remuneration Committee, the Board of Directors, and the shareholders. The remuneration structure comprises salary, perquisites and contributions to provident fund, superannuation and gratuity.

The remuneration paid to the Managing Director and Sitting Fees paid to Non-Executive Directors has been disclosed elsewhere in this Report.

The aforesaid Committee has met on May 30, 2012 during the financial year 2012-2013.

V. Shareholders Committee:-

The Company has duly constituted a Shareholders'/Investors' Grievance Committee, which is headed by the independent Non-Executive Director, Mr. Mahendra S. Shah to attend and address the grievances of the shareholders/investors as and when received. Mr. Mahesh K. Rachh is the other member of the Committee.

Mr. P. B. Deshpande, Company Secretary is the Compliance Officer of the Company.

Complaints received during the year:-

Nature of Complaints	Received	Cleared	Pending
Non-receipt of share certificates	1	1	Nil
Non-receipt of dividend/ interest warrant	2	2	Nil
Others/miscellaneous	3	3	Nil
Total	6	6	Nil

There was no transfer of shares pending as on March 31, 2013.

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



VI. Subsidiary Company:-

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

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

VII. Details of Annual General Meetings:-

Annual General Meeting	Location	Date	Time
26 th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001.	September 25, 2012	3.00 p.m.
25 th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001.	September 28, 2011	3.00 p.m.
24 th Annual General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001	September 28, 2010	3.00 p.m.

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

Financial Year	Meeting	Date	Time	No. of Special Resolutions passed
2009-2010	24 th AGM	28.9.2010	3.00 p.m.	None
2010-2011	25 th AGM	28.9.2011	3.00 p.m.	None
2011-2012	26 th AGM	25.9.2012	3.00 p.m.	None

VIII. Disclosures:-

The Company has not entered into any transaction of a material nature with the promoters, the Directors, the management, subsidiary or relatives, etc., that may have any potential conflict with the interests of the Company. Transactions with related parties have been disclosed in Clause 10 of Note No.19 to the Accounts in the Annual Report.

The Company has complied with the requirements of BSE Limited, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures passed on the Company by BSE Limited, SEBI or any other statutory authority relating to the above.

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

IX. Means of Communication :-

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

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

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

X. General Shareholder information:-

Date, time and venue of the AGM	: September 25, 2013 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001
Financial Calendar	: April 1, 2013 to March 31, 2014
Adoption of Quarterly Results for the quarter ending -	: on or before
June 30, 2013	: August 14, 2013
September 30, 2013	: November 14, 2013
December 31, 2013	: February 14, 2014
March 31, 2014	: May 30, 2014
Date of Book Closure	: September 19, 2013 to September 25, 2013 (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 BSE Limited. The Company has paid the annual listing fees to BSE Limited for the financial year 2013-2014.
Stock Code	: 500014 on BSE Limited.
ISIN Number for NSDL and CDSL	: INE096A01010
Market Price Data	: The high and low prices of every month during the financial year 2012-2013 are given below.

Year 2012-2013	High (₹)	Low (₹)
April	2.50	2.06
May	3.03	2.15
June	2.16	1.93
July	2.26	1.91
August	2.11	1.91
September	2.16	1.97
October	2.30	1.91
November	2.06	1.81
December	2.08	1.89
January	2.10	1.89
February	1.91	1.75
March	1.76	1.29

APPLE FINANCE LIMITED

- **Registrar and Transfer Agents:** Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.
Phone: 6772 0400 • Fax: 2859 1568

Contact Persons: Mrs. Indira P. Karkera and Mr. Gopal S. Poojary

- **Share Transfer System :**

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

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

- **Distribution of Shareholding as on March 31, 2013:-**

Shareholding	No. of Folios	% of Total	No. of Shares	% of Total
1-500	118402	93.93	17209776	30.92
501-1000	4522	3.58	3614396	6.49
1001- 2000	1616	1.28	2551613	4.58
2001- 3000	485	0.38	1261192	2.26
3001- 4000	223	0.18	812892	1.46
4001- 5000	250	0.19	1208943	2.17
5001- 10000	301	0.24	2318191	4.16
10001 and above	267	0.22	26696119	47.96
Total	126066	100.00	55673122	100.00

- 72.96% of the equity share capital has been dematerialized up to March 31, 2013.

- **Categories of Shareholding as on March 31, 2013:-**

Category	No. of Shares held	Percentage of Shareholding
Promoters	13751596	24.70
Mutual Funds and UTI	13415	0.02
Banks, Financial Institutions and Insurance Companies	15540	0.03
FII's	200	0.00
Private Corporate Bodies	3470842	6.23
Indian Public	34168341	61.38
NRIs/OCBs	936038	1.68
Trusts	3317150	5.96
Total	55673122	100.00

- Address for correspondence:-
The Company Secretary
Apple Finance Limited
8 Apeejay House, 130 Mumbai Samachar Marg,
Mumbai 400 023. • Email:apple.investors@gmail.com

MANAGING DIRECTOR'S CERTIFICATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT WITH BSE LIMITED

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

- I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:-
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of my knowledge and belief, no transaction entered into by the Company during the year, which is fraudulent, illegal or violative of the Company's Code of Conduct.
- I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- I have indicated to the Auditors and the Audit Committee:-
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mahesh K. Rachh
Managing Director

Place: Mumbai
Date: May 30, 2013



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 BSE 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, 2013.

Mahesh K. Rachh
Managing Director

Place: Mumbai
Date: May 30, 2013

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

To the Members of Apple Finance Limited :-

We have examined the compliance of the conditions of Corporate Governance by Apple Finance Limited ("the Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

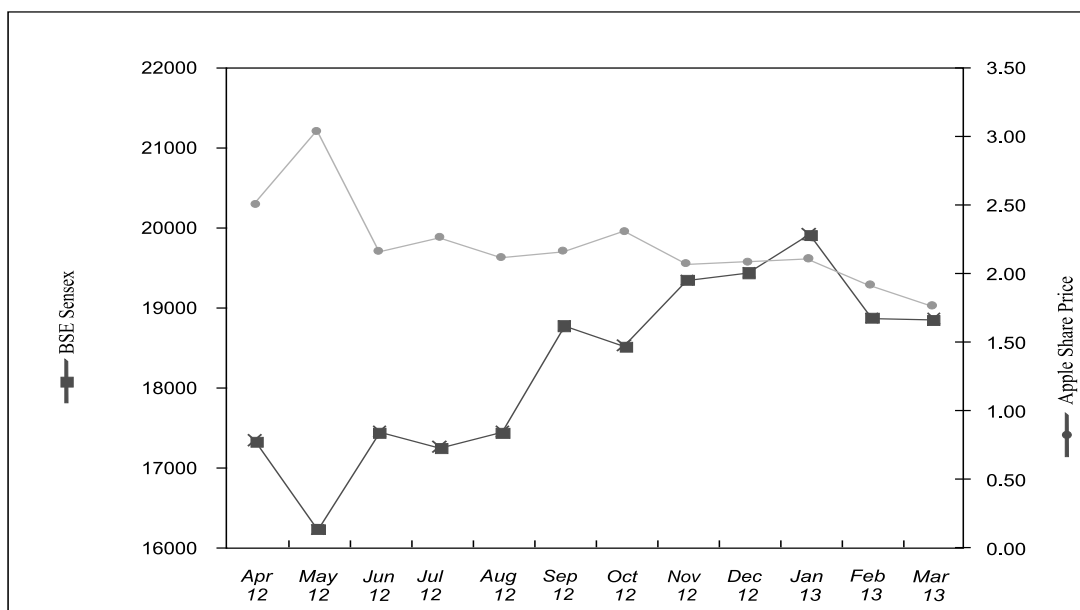
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Mahendra Kumbhat & Associates**
Chartered Accountants

Amar Chand Bagrecha
Partner

Place: Mumbai
Date: May 30, 2013

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



APPLE FINANCE LIMITED

STATEMENT PURSUANT TO DIRECTION ISSUED VIDE CIRCULAR NO.2/2011 UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY, APPLE ASSET MANAGEMENT LIMITED

Sr. No.	Particulars	(₹)
a)	Capital	112,000,000
b)	Reserves	(106,088,755)
c)	Total Assets	52,461,634
d)	Total Liabilities	52,461,634
e)	Details of Investments (except investment in subsidiaries)	52,414,613
f)	Turnover	11,600
g)	Profit/(Loss) before Taxation	(24,232)
h)	Provision for Taxation	-
i)	Profit/(Loss) after Taxation	(24,232)
j)	Proposed Dividend	-



Independent Auditors' Report

To the Members of
Apple Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Apple Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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, subject to:

- a) *Point No.1 of Note '19' regarding 'going concern' assumption of the Company.*
- b) *Point No.II of Note '19' regarding non-consideration of Deferred Tax Assets (Net) amounting to ₹ 194,230,222*

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013.
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. 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.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e. On the basis of the written representations received from the Directors as on March 31, 2013, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of Section 274(1)(g) of the Act.

For Mahendra Kumbhat and Associates

*Chartered Accountants
Firm Regn. No.105770W*

Amar Chand Bagrecha

*Partner
Membership No.56605*

Place: Mumbai

Date: May 30, 2013

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Regulatory Requirements' section of 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.

APPLE FINANCE LIMITED

- (b) The Management has 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 not disposed of substantial part of fixed assets during the year.
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 the physical stocks and the book records were noticed on such verification.
3. (a) The Company has not taken loans from companies, firms and other parties listed in the Register maintained under Section 301 of the Act.
- (b) The Company has granted loan to one party required to be listed in the Register to be maintained under Section 301 of the Act, the maximum amount outstanding at any time during the year for this loan is ₹ 47,90,500 and the year end balance is ₹ 47,90,500 which is interest free.
- (c) In our opinion, the terms and conditions, wherever applicable, on which loan is granted are not *prima facie* prejudicial to the interest of the Company, except interest free loan granted.
- (d) Loan granted by the Company is without stipulation of repayment term and hence, we are unable to comment upon regularity of repayment or otherwise and overdue amount.
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 the transactions requiring to be entered in the Register maintained under Section 301 of the Act.
6. The Company has not accepted deposits from public during the year and hence, the provisions of Sections 58A and 58AA of the Act and the rules thereunder are not applicable.
7. The Company does not have an Internal Audit system.
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 undisputed statutory dues including the 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, 2013 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 also 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 and 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 shares of Spectrum Alkyd Resins Limited, 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 and 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 and hence, clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
17. The Company has not raised fund on short term basis during the year; and hence the question of same being used for any long term investments does not arise.
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, and 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 and Associates

*Chartered Accountants
Firm Regn. No.105770W*

Amar Chand Bagrecha
*Partner
Membership No.56605*

Place: Mumbai
Date: May 30, 2013



BALANCE SHEET AS AT 31ST MARCH 2013

(₹)

Particulars	Note	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	556,701,477	556,701,477
(b) Reserves and surplus	3	(296,965,596)	(296,032,339)
		<hr/>	<hr/>
		259,735,881	260,669,138
Non-current liabilities			
(a) Long-term provisions	4	68,503,007	60,710,953
		<hr/>	<hr/>
		68,503,007	60,710,953
Current liabilities			
(a) Trade payables	5	10,287	(50,000)
(b) Other current liabilities	6	1,432,803	8,955,274
(c) Short-term provisions	7	9,097,218	7,353,467
		<hr/>	<hr/>
		10,540,308	16,258,741
		<hr/>	<hr/>
		338,779,197	337,638,832
		<hr/>	<hr/>
ASSETS			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		61,451,524	62,527,481
(b) Non-current investments	9	54,406,412	54,406,412
		<hr/>	<hr/>
		115,857,936	116,933,893
Current assets			
(a) Inventories	10	24,675,000	24,675,000
(b) Cash and bank balances	11	184,831,065	182,423,608
(c) Short-term loans and advances	12	4,790,500	4,745,500
(d) Other current assets	13	8,624,696	8,860,831
		<hr/>	<hr/>
		222,921,261	220,704,939
		<hr/>	<hr/>
		338,779,197	337,638,832
		<hr/>	<hr/>

Summary of significant accounting policies 1
Notes to the financial statements 19

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our attached Report of even date

For Mahendra Kumbhat & Associates
Chartered Accountants
Firm Regn. No.105770W

On behalf of the Board

Amar Chand Bagrecha
Partner
Membership No.56605

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place: Mumbai
Dated: May 30, 2013

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(₹)

Particulars	Note	Year ending 31 st March 2013	Year ending 31 st March 2012
I. Revenue from operations	14	13,000	12,500
II. Other income	15	15,082,989	16,862,659
III. Total revenue		15,095,989	16,875,159
IV. Expenses:			
Employee benefits expense	16	3,931,612	3,837,153
Depreciation and amortization expense	8	1,979,157	2,082,307
Other expenses	17	9,624,783	9,515,623
Total expenses		15,535,552	15,435,083
V. Profit/(Loss) before exceptional and extraordinary items and tax		(439,562)	1,440,076
VI. Exceptional item- Excess provision for Fringe Benefit Tax Written Back		-	-
VII. Profit/(Loss) before extraordinary items and tax		(439,562)	1,440,076
VIII. Extraordinary Items-Prior Period Income		-	-
Extraordinary Items-Prior Period Expenses	17	489,351	(230,359)
IX. Profit/(Loss) before tax		(928,913)	1,670,435
X. Tax expense:			
(1) Current tax - Wealth Tax		4,343	6,014
(2) Deferred tax		-	-
XI. Profit/(Loss) for the period from continuing operations		(933,256)	1,664,421
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (after tax)		-	-
XV. Profit/(Loss) for the period		(933,256)	1,664,421
XVI. Earnings/(Loss) per equity share	18		
(1) Basic		(0.02)	0.03
(2) Diluted		(0.02)	0.03
Summary of significant accounting policies	1		
Notes to the financial statements	19		

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants

Firm Regn. No.105770W

On behalf of the Board

Amar Chand Bagrecha

Partner

Membership No.56605

Mahesh K. Rachh

Managing Director

Mahesh Menon

Director

Place: Mumbai

Dated: May 30, 2013

Mahendra S. Shah

Director

P. B. Deshpande

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	For the year ended		For the year ended	
	31 ST March, 2013		31 ST March, 2012	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		(439,562)		1,440,076
Adjustments for:				
Depreciation	1,979,157		2,082,307	
Profit/(Loss) on Sale of Assets and Investments	-		(188,408)	
Investment Income - Dividend/Interest	(15,082,989)		(16,329,251)	
		<u>(13,103,832)</u>	<u>(16,329,251)</u>	<u>(14,435,352)</u>
Operating profit before working capital changes		<u>(13,543,394)</u>		<u>(12,995,276)</u>
Adjustments for:				
Trade payables and other short term liabilities	2,073,621		1,075,432	
Loans and Advances (net)	730,179		(265,225)	
		<u>2,803,800</u>		<u>810,207</u>
Cash generated from operations		<u>(10,739,594)</u>		<u>(12,185,069)</u>
Interest paid	-		-	
Direct taxes paid (-)/Refund of Income Tax (+)	(543,387)		6,676,146	
		<u>(543,387)</u>		<u>6,676,146</u>
Cash flow before extraordinary items		<u>(11,282,981)</u>		<u>(5,508,923)</u>
Extraordinary items		<u>(489,351)</u>		<u>230,359</u>
Net cash from operating activities	.... A	<u>(11,772,332)</u>		<u>(5,278,564)</u>
B. Cash flow from investing activities				
Purchase and sale of fixed assets including advances given for work-in-progress		(903,200)		(27,750)
Investment redemption/sold		-		20,774,189
Interest received		14,407,770		15,239,173
Dividend received		675,219		1,090,078
Net cash used in investing activities	.... B	<u>14,179,789</u>		<u>37,075,690</u>
C. Cash flow from financing activities				
Proceeds from long-term borrowings (net)		-		-
Net cash used in financing activities	.... C	<u>-</u>		<u>-</u>
Net Increase/(decrease) in cash and cash equivalents	(A+B+C)	<u>2,407,457</u>		<u>31,797,126</u>
Cash and cash equivalents as at the beginning of the year (opening balance)		<u>182,423,608</u>		<u>150,626,482</u>
Cash and cash equivalents as at the end of the year (closing balance)		<u>184,831,065</u>		<u>182,423,608</u>

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.

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai
Dated: May 30, 2013

On behalf of the Board

Mahesh K. Rachh
Managing Director

Mahendra S. Shah
Director

Mahesh Menon
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

NOTE "1" 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. Fixed Assets

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

3. 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.

4. 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.

5. Valuation of Stocks

Stock of shares and securities valued at cost or fair value, whichever is less.

6. 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 the 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.

7. 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.

NOTE "2" TO BALANCE SHEET AS AT 31ST MARCH 2013

SHARE CAPITAL	Par Value per share (₹)	Balance Outstanding as at 31 st March 2012		Issued/(Reductions) during the year		Balance Outstanding as at 31 st March 2013	
		No. of Shares	Value (₹)	No. of Shares	Value (₹)	No. of Shares	Value (₹)
Equity Share Capital							
Authorized:	10	75,000,000	750,000,000	-	-	75,000,000	750,000,000
Issued, Subscribed and Paid-up	10	55,673,122	556,731,220	-	-	55,673,122	556,731,220
Less: Calls in arrears by others			29,743	-	-	-	29,743
	10	55,673,122	556,701,477	-	-	55,673,122	556,701,477
Preference Share Capital							
Authorized:	100	7,500,000	750,000,000	-	-	7,500,000	750,000,000
Issued, Subscribed and Paid-up	100	-	-	-	-	-	-

	Par Value per share (₹)	No. of Shares	Value (₹)	Holding (%)	No. of Shares	Value (₹)	Holding (%)
		31/03/2012	31/03/2012	31/03/2012	31/03/2013	31/03/2013	31/03/2013
Share held by Holding Company							
Not Applicable							
Holding more than 5%							
Adamica Management Consultancy Ltd.	10	6,023,180	60,231,800	10.82%	5,528,180	55,281,800	9.93%
Overseer Investments Pvt. Ltd.	10	4,134,300	41,343,000	7.43%	4,134,300	41,343,000	7.43%
Chivas Trading Pvt. Ltd.	10	3,168,216	31,682,160	5.69%	3,168,216	31,682,160	5.69%
Apple Finance Employees Welfare Trust	10	3,316,680	33,166,800	5.96%	3,316,680	33,166,800	5.96%

Note: The Company has not allotted any shares during the last five years, preceding March 31, 2013.

**NOTE “3” TO BALANCE SHEET AS AT 31ST MARCH 2013**

(₹)

RESERVES AND SURPLUS	Balance as on 31st March 2012	Additions/ Deductions/ Appropriations	Balance as on 31st March 2013
Capital Redemption Reserve	20,000,000	-	20,000,000
Debenture Redemption Reserve	100,000,000	-	100,000,000
General Reserve	400,000,000	-	400,000,000
Surplus at the beginning of the year	(1,326,991,943)	-	-
Add: Profit after tax for the year	-	(933,256)	-
Less: Transfer to General Reserve	-	-	-
Less: Proposed Dividend including Dividend Distribution Tax	-	-	-
Surplus at the end of the year	-	-	(1,327,925,200)
Capital Reserve	6,933,420	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,184	-	427,026,184
Reserve Fund under Section 45IC(1) of the Reserve Bank of India Act, 1934	77,000,000	-	77,000,000
Total	(296,032,339)	(933,256)	(296,965,596)

(₹)

NOTE “4” TO BALANCE SHEET AS AT 31ST MARCH 2013

LONG-TERM PROVISIONS	Balance as at 31st March 2012	Additions	Utilizations	Reversals	Balance as at 31st March 2013
Provisions for Non-Performing Assets	60,710,953	-	(7,792,054)	-	68,503,007
Grand Total	60,710,953	-	(7,792,054)	-	68,503,007

(₹)

NOTE “5” TO BALANCE SHEET AS AT 31ST MARCH 2013

TRADE PAYABLES	As at 31st March 2013	As at 31st March 2012
Others	10,287	(50,000)
Grand Total	10,287	(50,000)

(₹)

NOTE “6” TO BALANCE SHEET AS AT 31ST MARCH 2013

OTHER CURRENT LIABILITIES	As at 31st March 2013	As at 31st March 2012
Other Payable	1,223,773	8,931,304
Duties and Taxes Payable	209,030	23,970
Grand Total	1,432,803	8,955,274

(₹)

NOTE “7” TO BALANCE SHEET AS AT 31ST MARCH 2013

SHORT-TERM PROVISIONS	Balance as at 31st March 2012	Additions	Utilizations	Reversals	Balance as at 31st March 2013
Provision for employee benefits	541,161	86,341	66,609	-	560,893
Provision for expenses	6,812,306	8,536,325	6,812,306	-	8,536,325
Grand Total	7,353,467	8,622,666	6,878,915	-	9,097,218

APPLE FINANCE LIMITED

(₹)

NOTE “8” TO BALANCE SHEET AS AT 31ST MARCH 2013

FIXED ASSETS	Gross Block as at 1 st April 2012	Additions	Deletions	Gross Block as at 31 st March 2013	Depreciation up to 31 st March 2012	Depreciation for the year	Depreciation on deductions	Depreciation up to 31 st March 2013	Impairment losses/reversals	Net Block as at 31 st March 2013
Tangible Assets										
Land										
- Freehold	955,066	-	-	955,066	-	-	-	-	-	955,066
Buildings										
- Owned	82,420,442	903,200	-	83,323,642	25,820,023	1,346,656	-	27,166,679	-	56,156,963
Plant & Equipment										
- Owned										
Office Equipment	4,047,326	-	-	4,047,326	3,334,976	96,780	-	3,431,756	-	615,570
Computers	18,042,048	-	-	18,042,048	17,945,208	46,753	-	17,991,961	-	50,087
Electrical Fittings	1,390,185	-	-	1,390,185	769,293	66,036	-	835,329	-	554,856
Furniture & Fixtures	16,418,561	-	-	16,418,561	14,597,157	173,980	-	14,771,137	-	1,647,424
Vehicles	2,620,548	-	-	2,620,548	900,038	248,952	-	1,148,990	-	1,471,558
Total	125,894,176	903,200	-	126,797,376	63,366,695	1,979,157	-	65,345,852	-	61,451,524
Previous Year	125,866,426	27,750	-	125,894,176	61,284,388	2,082,307	-	63,366,695	-	62,527,481

NOTE “9” TO BALANCE SHEET AS AT 31ST MARCH 2013

NON-CURRENT INVESTMENTS

	No. of Securities	Face Value (₹)	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Trade Investments				
(Fully paid unless otherwise stated)				
Quoted Investments - Equity Shares (At cost)				
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	36,510	2	652,302	652,302
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
Shri Renuga Textiles Limited	40,000	10	6,000,000	6,000,000
Vital Foods Limited	93,900	10	1,032,900	1,032,900
Total (A)			45,371,412	45,371,412
Unquoted Investments - Equity Shares (At cost)				
Aldrich Pharmaceuticals Limited	210,000	10	7,035,000	7,035,000
Spectrum Alkyd & Resins Limited	133,333	10	1,500,000	1,500,000
Vijaya Home Loans Limited	50,000	10	500,000	500,000
Total (B)			9,035,000	9,035,000
Total (A) + (B)			54,406,412	54,406,412



(₹)

NOTE “9” TO BALANCE SHEET AS AT 31ST MARCH 2013 (Contd.)

NON-CURRENT INVESTMENTS

	Cost (₹)	Market Value (₹)
Aggregate Value of Quoted Investment		
Equity Shares (Previous Year)	45,371,412 (45,371,412)	47,586,267 *** (37,685,465)
Aggregate Value of Unquoted Investment		
Equity Shares (Previous Year)	9,035,000 (9,035,000)	
Total (Previous Year)	54,406,412 (54,406,412)	

*** Market value of quoted investments includes only market value of Cipla Limited and Ambika Cotton Mills Limited, since other quoted shares' market value is not available.

(₹)

NOTE “10” TO BALANCE SHEET AS AT 31ST MARCH 2013

INVENTORIES (Valued at cost or market value whichever is less)	As on 31 st March 2013			As on 31 st March 2012		
	Inventory	Goods-in-Transit	Final Value	Inventory	Goods-in-Transit	Final Value
Unquoted Equity Shares						
1,41,000 Equity Shares of ₹10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	-	24,675,000	24,675,000	-	24,675,000
Total	24,675,000	-	24,675,000	24,675,000	-	24,675,000

Note: Market value of stock-in-trade is not available and, therefore, it is valued at cost.

(₹)

NOTE “11” TO BALANCE SHEET AS AT 31ST MARCH 2013

CASH AND BANK BALANCES	As at 31 st March 2013	As at 31 st March 2012
CASH AND CASH EQUIVALENTS		
Cash on hand	25,018	24,784
Balance with Banks	4,920	572,197
Bank Deposits (less than 3 months maturity)*	147,738,436	21,770,000
	147,768,374	22,366,980
OTHERS		
Bank Deposits (more than 3 months but less than 12 months maturity)	20,894,586	39,344,586
Bank Deposits (more than 12 months maturity)**	16,168,105	120,712,042
	37,062,691	160,056,628
Total	184,831,065	182,423,608

* Out of which ₹ 12,73,39,172 is under lien with Kotak Mahindra Bank Ltd.

** (Previous year ₹11,96,22,338)

APPLE FINANCE LIMITED

(₹)

NOTE "12" TO BALANCE SHEET AS AT 31ST MARCH 2013

SHORT-TERM LOANS AND ADVANCES

	As on 31 st March 2013				As on 31 st March 2012			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Loans and advances to related parties								
Subsidiary Company								
Apple Asset Management Ltd.	-	4,790,500	-	4,790,500	-	4,745,500	-	4,745,500
Less: Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
	-	4,790,500	-	4,790,500	-	4,745,500	-	4,745,500
Other loans and advances	-	-	-	-	-	-	-	-
Less: Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Grand Total	-	4,790,500	-	4,790,500	-	4,745,500	-	4,745,500

(₹)

NOTE "13" TO BALANCE SHEET AS AT 31ST MARCH 2013

OTHER CURRENT ASSETS

	As on 31 st March 2013				As on 31 st March 2012			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Interest accrued on Investment	-	2,068,801	-	2,068,801	-	2,101,481	-	2,101,481
Security Deposits	-	428,530	-	428,530	-	428,530	-	428,530
Prepaid Expenses	-	497,778	-	497,778	-	664,278	-	664,278
Other Receivables	-	2,599,000	-	2,599,000	-	3,175,000	-	3,175,000
Advance Income Tax and TDS	-	2,846,370	-	2,846,370	-	2,307,326	-	2,307,326
Sales Tax paid against appeal	-	184,217	-	184,217	-	184,217	-	184,217
Grand Total	-	8,624,696	-	8,624,696	-	8,860,831	-	8,860,831



(₹)

NOTE “14” TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

REVENUE FROM OPERATIONS	Year ending 31st March 2013	Year ending 31st March 2012
Hire-Purchase Income	13,000	12,500
Total	13,000	12,500

(₹)

NOTE “15” TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

OTHER INCOME	Year ending 31st March 2013	Year ending 31st March 2012
Interest (TDS ₹ 14,41,591 Previous Year ₹ 13,73,688)	14,340,077	13,774,454
Interest on Income Tax Refund	67,693	1,464,719
Dividend Income:		
- Others	675,219	1,090,078
Short-Term Capital Gain on Sale of Mutual Fund Units	-	188,408
Miscellaneous Income	-	345,000
Total	15,082,989	16,862,659

(₹)

NOTE “16” TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

EMPLOYEE BENEFITS EXPENSES	Year ending 31st March 2013	Year ending 31st March 2012
Salaries and wages	3,091,177	2,824,846
Contribution to Provident and other funds	534,467	747,510
Staff welfare expenses	305,968	264,797
Total	3,931,612	3,837,153

(₹)

NOTE “17” TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

OTHER EXPENSES	Year ending 31st March 2013	Year ending 31st March 2012
Power and fuel	338,485	399,371
Repairs to machinery	37,417	-
Repairs to building	50,000	-
Repairs and Maintenance - Others	20,106	13,189
Insurance	21,037	20,698
Rates and taxes excluding taxes on income	119,985	32,632
Society Charges	2,035,993	1,721,595
Legal and Professional fees	682,447	999,873
Printing and Stationery	40,268	39,909
Telephone and Fax Expenses	176,876	214,693
Courier Expenses	7,291	12,624
Service Charges	573,528	525,865
Security Charges	426,092	469,829
Travelling Expenses	368,886	765,366
Conveyance	13,113	9,870
Motor Car Expenses	1,181,751	897,889
AGM Expenses	2,041,620	1,912,790

APPLE FINANCE LIMITED

(₹)

NOTE "17" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013 (Contd.)

OTHER EXPENSES	Year ending 31 st March 2013	Year ending 31 st March 2012
Registrar, Share and Debenture Expenses	870,150	824,862
Directors' Sitting Fees	12,000	12,000
Membership and Subscription	4,505	37,973
Bank Charges	150	-
Books and Periodicals	8,060	4,805
Miscellaneous Expenses	13,560	16,960
Payments to the Auditor		
(a) as Auditor	393,260	393,260
(b) for Tax Audit	112,360	112,360
(c) for Limited Review Audit	75,843	77,210
	9,624,783	9,515,623
Prior period items (in case of loss)		
Rates and taxes excluding taxes on income	489,351	(254,173)
Motor Car Expenses	-	23,814
	489,351	(230,359)
Total	10,114,134	9,285,264

(₹)

NOTE "18" TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

EARNING PER SHARE	Year ending 31 st March 2013	Year ending 31 st March 2012
(a) Net Profit after tax attributable to Equity Shareholders for Basic EPS	(933,256)	1,664,421
Add/Less: Adjustment relating to potential equity shares	-	-
	(933,256)	1,664,421
(b) Weighted average No. of equity shares outstanding during the year		
For Basic Earning Per Share	55,673,122	55,673,122
For Diluted Earning Per Share	55,673,122	55,673,122
(c) Basic Earning/(Loss) Per Share	(0.02)	0.03
Diluted Earning/(Loss) Per Share	(0.02)	0.03
Face Value Per Equity Share	10	10
(d) Reconciliation between No. of shares used for calculating basic and diluted earning per share		
Particulars		
No. of shares used for calculating basic earning per share	55,673,122	55,673,122
Add: Potential equity shares	-	-
No. of shares used for calculating diluted earning per share	55,673,122	55,673,122



NOTE "19" - NOTES TO ACCOUNTS

Notes forming part of the Accounts for the year ended 31ST March 2013

	As at 31 st March, 2013 ₹	As at 31 st March, 2012 ₹
(1) As the business was unviable, the Company 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 their 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. The Company does have business income from Interest, etc. and also have Stock-in-Trade for business and hence, accounts have been prepared on the 'Going Concern Basis' and Historical Cost Method.		
(2) Contingent Liabilities in respect of:		
(a) Claims against the Company not acknowledge as debts	100,000,000	100,000,000
(3) 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.		
(4) (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.		
(5) Prior period expenses details:		
OTHER EXPENSES	Year ending 31st March 2013 ₹	Year ending 31st March 2012 ₹
Rates and taxes excluding taxes on income	489,351	(254,173)
Motor Car Expenses	-	23,814
Total	489,351	(230,359)
(6) Remuneration to Directors:		
(a) Remuneration paid to the Managing Director:	For the year ended 31st March 2013 ₹	For the year ended 31st March 2012 ₹
Salaries and Contribution to the Provident and other funds	1,899,342	1,588,634
Perquisites*	39,600	39,600
Total	1,938,942	1,628,234
* Value of perquisites is determined as per the Income-tax Rules, 1962.		
(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.		
(7) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.		
(8) There are no separate reportable segments.		
(9) Demat Account holding statement as on 31.3.2013 includes 500 equity shares of Numeric Power Systems Limited, which were already sold by the Company. However, the same have not been transferred by the transferee in his own name. Consequently, dividends received on said shares have been considered as current liability.		

APPLE FINANCE LIMITED

(10) Disclosures as required by the Accounting Standard 18 “Related Party Disclosures” are given below:

Name of related party and nature of relationship	For the year ended	For the year ended
	31 st March 2013	31 st March 2012
	₹	₹
(i) Directors/Key Management Personnel: Remuneration		
(a) Mr. Mahesh K. Rachh: Managing Director	1,938,942	1,628,234
(ii) Directors and their relatives - Professional Fees		
(a) Mrs. Anita Mahesh Menon: Director’s spouse	120,000	103,500
iii) Director Sitting fees		
(a) Mr. Mahesh Menon: Director	6,000	6,000
(b) Mr. Mahendra Shah: Director	6,000	6,000

(11) Consequent to the issuance of the 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 ₹19,42,30,222. 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	As at
	31 st March 2013	31 st March 2012
	₹	₹
Deferred Tax Asset:		
(1) Provision for Non-Performing Assets and Diminution in the value of Investments	20,635,653	20,635,653
(2) Carry forward losses (including Unabsorbed Depreciation)	192,561,453	199,399,635
(3) Depreciation	(18,966,883)	(19,458,484)
Deferred Tax Asset (net)	194,230,222	200,576,804

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

Unquoted

141,000 Equity Shares of ₹10 each of Indo Deutsche Metallo Chimique Limited

	24,675,000	24,675,000
	24,675,000	24,675,000

(b) Quantitative Details:-

(i) Opening Stock

Quantity (Nos.)

Value (₹)

141,000

24,675,000

141,000

24,675,000

(ii) Purchases/Received against Claims/Acquisition on Merger/Bonus

Quantity (Nos.)

Value (₹)

-

-

-

-

(iii) Sales/Reduction on Merger

Quantity (Nos.)

Value (₹)

-

-

-

-

(iv) Closing Stock

Quantity (Nos.)

Value (₹)

141,000

24,675,000

141,000

24,675,000

(13) As per the Accounting Standard 13, Stock-in-Trade (Shares) is required to be recognised at cost or fair value whichever is less. However, the same has not been followed as fair value of the shares are not available because those Company’s shares are not quoted in the stock market. Hence, provision for the same has been made.

(14) Cash Flow is prepared as per Indirect Method.

a

(15) The Previous Year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year's financial statement and are to be read in relation to the amount and other disclosure relating to the current year.

Signatures to Note "1" to "19"

As per our attached Report of even date

For Mahendra Kumbhat & Associates
Chartered Accountants
Firm Regn. No.105770W

On behalf of the Board

Amar Chand Bagrecha
Partner
Membership No.56605

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place: Mumbai
Dated: May 30, 2013

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of **Apple Finance Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Apple Finance Limited ("the Company"), and its subsidiary (the Company and its subsidiary constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified by the Companies (Accounting Standards) Rules, 2006.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, subject to:

- a) *Point No.1 of Note '18' regarding 'going concern' assumption of the Company.*
- b) *Point No.11 of Note '18' regarding non-consideration of Deferred Tax Assets (Net) amounting to ₹ 194,230,222.*
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013.
 - (b) In the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date, and
 - (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of Apple Asset Management Limited, which reflect total assets of ₹ 59,11,245 (excluding debit balance of ₹ 106,088,755 in the Profit and Loss Statement) as at March 31, 2013 and total Revenue of ₹11,600 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.

For Mahendra Kumbhat and Associates
Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai
Date: May 30, 2013



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

(₹)

Particulars	Note	As at 31 st March 2013	As at 31 st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	556,701,477	556,701,477
(b) Reserves and surplus	3	(403,054,351)	(402,096,862)
		<u>153,647,126</u>	<u>154,604,615</u>
Non-current liabilities			
(a) Long-term provisions	4	222,236,177	214,444,123
		<u>222,236,177</u>	<u>214,444,123</u>
Current liabilities			
(a) Trade payables	5	37,006	(23,281)
(b) Other current liabilities	6	1,432,803	8,955,274
(c) Short-term provisions	7	9,097,218	7,353,467
		<u>10,567,027</u>	<u>16,285,460</u>
	TOTAL	<u>386,450,331</u>	<u>385,334,198</u>
ASSETS			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		61,451,524	62,527,481
(b) Non-current investments	9	106,821,025	106,821,025
		<u>168,272,549</u>	<u>169,348,506</u>
Current assets			
(a) Inventories	10	24,675,000	24,675,000
(b) Cash and bank balances	11	184,878,086	182,449,861
(c) Other current assets	12	8,624,696	8,860,831
		<u>218,177,782</u>	<u>215,985,692</u>
	TOTAL	<u>386,450,331</u>	<u>385,334,198</u>
Summary of significant accounting policies	1		
Notes to the financial statements	18		

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our attached Report of even date

For Mahendra Kumbhat & Associates
Chartered Accountants
Firm Regn. No.105770W

On behalf of the Board

Amar Chand Bagrecha
Partner
Membership No.56605

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place: Mumbai
Dated: May 30, 2013

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(₹)			
Particulars	Note	Year ending 31 st March 2013	Year ending 31 st March 2012
I. Revenue from operations	13	13,000	12,500
II. Other income	14	15,094,589	16,962,709
III. Total revenue		15,107,589	16,975,209
IV. Expenses:			
Employee benefits expense	15	3,931,612	3,837,153
Depreciation and amortization expense	8	1,979,157	2,082,307
Other expenses	16	9,660,615	9,831,419
Total expenses		15,571,384	15,750,879
V. Profit/(Loss) before exceptional and extraordinary items and tax		(463,794)	1,224,330
VI. Exceptional item - Excess provision for Fringe Benefit Tax Written Back		-	2,353
VII. Profit/(Loss) before extraordinary items and tax		(463,794)	1,221,977
VIII. Extraordinary Items - Prior Period Income		-	-
Extraordinary Items - Prior Period Expenses	16	489,351	(230,359)
IX. Profit/(Loss) before tax		(953,145)	1,452,336
X. Tax expense:			
(1) Current tax - Wealth Tax		4,343	6,014
(2) Deferred tax		-	-
XI Profit/(Loss) for the period from continuing operations		(957,488)	1,446,322
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(Loss) from discontinuing operations (after tax)		-	-
XV Profit/(Loss) for the period		(957,488)	1,446,322
XVI Earnings/(Loss) per equity share	17		
(1) Basic		(0.02)	0.03
(2) Diluted		(0.02)	0.03
Summary of significant accounting policies	1		
Notes to the financial statements	18		

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

On behalf of the Board

Amar Chand Bagrecha
Partner
Membership No.56605

Mahesh K. Rachh
Managing Director

Mahesh Menon
Director

Place: Mumbai
Dated: May 30, 2013

Mahendra S. Shah
Director

P. B. Deshpande
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	For the year ended 31 st March 2013		For the year ended 31 st March 2012	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		(463,794)		1,224,330
Adjustments for:				
Depreciation	1,979,157		2,082,307	
Profit/(Loss) on Sale of Assets and Investments	-		(188,408)	
Investment Income - Dividend/Interest	(15,094,589)		(16,429,301)	
		<u>(13,115,432)</u>		<u>(14,535,402)</u>
Operating profit before working capital changes		(13,579,226)		(13,311,072)
Adjustments for:				
Trade payables and other short term liabilities	2,073,621		1,082,415	
Loans and Advances (net)	775,179		(65,225)	
		<u>2,848,800</u>		<u>1,017,190</u>
Cash generated from operations		(10,730,426)		(12,293,882)
Interest paid	-		-	
Direct taxes paid (-)/Refund of Income Tax (+)	(543,387)		6,673,793	
		<u>(543,387)</u>		<u>6,673,793</u>
Cash flow before extraordinary items		(11,273,813)		(5,620,089)
Extraordinary items		(489,351)		230,359
Net cash from operating activities	.... A	<u>(11,763,164)</u>		<u>(5,389,730)</u>
B. Cash flow from investing activities				
Purchase and sale of fixed assets including advances given for work-in-progress		(903,200)		(27,750)
Investment redemption/sold		-		20,774,189
Interest received		14,407,770		15,239,173
Dividend received		686,819		1,190,128
Net cash used in investing activities	.... B	<u>14,191,389</u>		<u>37,175,740</u>
C. Cash flow from financing activities				
Proceeds from long-term borrowings (net)		-		-
Net cash used in financing activities	.... C	<u>-</u>		<u>-</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		<u>2,428,225</u>		<u>31,786,010</u>
Cash and cash equivalents as at the beginning of the year (opening balance)		<u>182,449,861</u>		<u>150,663,851</u>
Cash and cash equivalents as at the end of the year (closing balance)		<u>184,878,086</u>		<u>182,449,861</u>

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.

As per our attached Report of even date

For Mahendra Kumbhat & Associates

Chartered Accountants
Firm Regn. No.105770W

Amar Chand Bagrecha
Partner
Membership No.56605

Place: Mumbai
Dated: May 30, 2013

On behalf of the Board

Mahesh K. Rachh
Managing Director

Mahendra S. Shah
Director

Mahesh Menon
Director

P. B. Deshpande
Company Secretary

APPLE FINANCE LIMITED

NOTE "1" SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

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. Fixed Assets

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

3. 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.

4. 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.

5. Valuation of Stocks

Stock of shares and securities valued at cost or fair value, whichever is less.

6. 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 the 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.

7. 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.



NOTE "2" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

SHARE CAPITAL	Par Value per share (₹)	Balance Outstanding as at 31st March, 2012		Issued/(Reductions) during the year		Balance Outstanding as at 31st March, 2013	
		No. of Shares	Value (₹)	No. of Shares	Value (₹)	No. of Shares	Value (₹)
Equity Share Capital							
Authorized:	10	75,000,000	750,000,000	-	-	75,000,000	750,000,000
Issued, Subscribed and Paid-up	10	55,673,122	556,731,220	-	-	55,673,122	556,731,220
Less: Calls in arrears by others		-	29,743	-	-	-	29,743
	10	55,673,122	556,701,477	-	-	55,673,122	556,701,477
Preference Share Capital							
Authorized:	100	7,500,000	750,000,000	-	-	7,500,000	750,000,000
Issued, Subscribed and Paid-up	100	-	-	-	-	-	-

	Par Value per share (₹)	No. of Shares	Value (₹)	Holding (%)	No. of Shares	Value (₹)	Holding (%)
		31/03/2012	31/03/2012	31/03/2012	31/03/2013	31/03/2013	31/03/2013
Share held by Holding Company							
Not Applicable							
Holding more than 5%							
Adamica Management Consultancy Ltd.	10	6,023,180	60,231,800	10.82%	5,528,180	55,281,800	9.93%
Overseer Investments Pvt. Ltd.	10	4,134,300	41,343,000	7.43%	4,134,300	41,343,000	7.43%
Chivas Trading Pvt. Ltd.	10	3,168,216	31,682,160	5.69%	3,168,216	31,682,160	5.69%
Apple Finance Employees Welfare Trust	10	3,316,680	33,166,800	5.96%	3,316,680	33,166,800	5.96%

Note: The Company has not allotted any shares during the last five years, preceding March 31, 2013.

(₹)

NOTE "3" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

RESERVES AND SURPLUS	Balance as on 31 st March 2012	Additions/ Deductions/ Appropriations	Balance as on 31 st March 2013
Capital Redemption Reserve	20,000,000	-	20,000,000
Debenture Redemption Reserve	100,000,000	-	100,000,000
General Reserve	400,000,000	-	400,000,000
Surplus/(Deficit) at the beginning of the year	(1,433,056,466)	-	-
Add: Profit/(Loss) after tax for the year	-	(957,488)	-
Less: Transfer to General Reserve	-	-	-
Less: Proposed Dividend including Dividend Distribution Tax	-	-	-
Surplus/(Deficit) at the end of the year	-	-	(1,434,013,955)
Capital Reserve	6,933,420	-	6,933,420
Capital Reserve on Settlement of Loans	427,026,184	-	427,026,184
Reserve Fund under Section 45IC(1) of the Reserve Bank of India Act, 1934	77,000,000	-	77,000,000
Total	(402,096,862)	(957,488)	(403,054,351)

(₹)

NOTE "4" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

LONG-TERM PROVISIONS	Balance as at 31 st March 2012	Additions	Utilizations	Reversals	Balance as at 31 st March 2013
Provisions for Non-Performing Assets	214,444,123	-	(7,792,054)	-	222,236,177
Grand Total	214,444,123	-	(7,792,054)	-	222,236,177

APPLE FINANCE LIMITED

(₹)

NOTE "5" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

TRADE PAYABLES	As at 31 st March 2013	As at 31 st March 2012
Others	37,006	(23,281)
Grand Total	37,006	(23,281)

(₹)

NOTE "6" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

OTHER CURRENT LIABILITIES	As at 31 st March 2013	As at 31 st March 2012
Other Payable	1,223,773	8,931,304
Duties and Taxes Payable	209,030	23,970
Grand Total	1,432,803	8,955,274

(₹)

NOTE "7" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

SHORT-TERM PROVISIONS	Balance as at 31 st March 2012	Additions	Utilizations	Reversals	Balance as at 31 st March 2013
Provision for employee benefits	541,161	86,341	66,609	-	560,893
Provision for expenses	6,812,306	8,536,325	6,812,306	-	8,536,325
Grand Total	7,353,467	8,622,666	6,878,915	-	9,097,218

(₹)

NOTE "8" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

FIXED ASSETS	Gross Block as at 1 st April 2012	Additions	Deletions	Gross Block as at 31 st March 2013	Depreciation up to 31 st March 2012	Depreciation for the year	Depreciation on deductions	Depreciation up to 31 st March 2013	Impairment losses/reversals	Net Block as at 31 st March 2013
Tangible Assets										
Land										
- Freehold	955,066	-	-	955,066	-	-	-	-	-	955,066
Buildings										
- Owned	82,420,442	903,200	-	83,323,642	25,820,023	1,346,656	-	27,166,679	-	56,156,963
Plant and Equipment										
- Owned										
Office Equipment	4,047,326	-	-	4,047,326	3,334,976	96,780	-	3,431,756	-	615,570
Computers	18,042,048	-	-	18,042,048	17,945,208	46,753	-	17,991,961	-	50,087
Electrical Fittings	1,390,185	-	-	1,390,185	769,293	66,036	-	835,329	-	554,856
Furniture & Fixtures	16,418,561	-	-	16,418,561	14,597,157	173,980	-	14,771,137	-	1,647,424
Vehicles	2,620,548	-	-	2,620,548	900,038	248,952	-	1,148,990	-	1,471,558
Total	125,894,176	903,200	-	126,797,376	63,366,695	1,979,157	-	65,345,852	-	61,451,524
Previous Year	125,866,426	27,750	-	125,894,176	61,284,388	2,082,307	-	63,366,695	-	62,527,481



NOTE "9" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

NON-CURRENT INVESTMENTS

	No. of Securities	Face Value (₹)	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Trade Investments (Fully paid unless otherwise stated)				
Quoted Investments - Equity Shares (At cost)				
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	36,510	2	652,302	652,302
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
Sesa Goa Limited	5,800	1	51,023	51,023
Shri Renuga Textiles Limited	40,000	10	6,000,000	6,000,000
Vital Foods Limited	93,900	10	1,032,900	1,032,900
Total (A)			45,422,435	45,422,435
Unquoted Investments - Equity Shares (At cost)				
Aldrich Pharmaceuticals Limited	210,000	10	7,035,000	7,035,000
Armour Pharmaceuticals Limited	593,750	10	8,386,690	8,386,690
Deluxe Fabrics Limited	250,000	10	4,780,421	4,780,421
Indo Deutsche Metallo Chimique Ltd.	145,000	10	24,539,919	24,539,919
Spectrum Alkyd & Resins Limited	133,333	10	1,500,000	1,500,000
Union Motor Services Limited	366,667	10	8,806,560	8,806,560
Vijaya Home Loans Limited	50,000	10	500,000	500,000
Total (B)			55,548,590	55,548,590
Unquoted Investments - Debentures (At cost)				
18% Unsecured Redeemable Non-Convertible Debentures of Century Wood Limited	40000	100	5,850,000	5,850,000
Total (C)			5,850,000	5,850,000
Total (A) + (B) + (C)			106,821,025	106,821,025

	Cost (₹)	Market Value (₹)
Aggregate Value of Quoted Investment		
Equity Shares (Previous Year)	45,422,435 (45,422,435)	48,489,037*** (38,812,115)
Aggregate Value of Unquoted Investment		
Equity Shares (Previous Year)	55,548,590 (55,548,590)	- -
Total (Previous Year)	100,971,025 (100,971,025)	- -

*** Market value of quoted investments includes only market value of Cipla Limited and Ambika Cotton Mills Limited, since other quoted shares' market value is not available.

APPLE FINANCE LIMITED

(₹)

NOTE "10" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

INVENTORIES (Valued at cost or market value whichever is less)	As on 31 st March 2013			As on 31 st March 2012		
	Inventory	Goods-in-Transit	Final Value	Inventory	Goods-in-Transit	Final Value
Unquoted Equity Shares						
1,41,000 Equity Shares of ₹10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	-	24,675,000	24,675,000	-	24,675,000
Total	24,675,000	-	24,675,000	24,675,000	-	24,675,000

Note: Market value of stock-in-trade is not available and, therefore, it is valued at cost.

(₹)

NOTE "11" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

CASH AND BANK BALANCES	As at 31 st March 2013	As at 31 st March 2012
CASH AND CASH EQUIVALENTS		
Cash on hand	35,397	35,163
Balance with Banks	41,562	588,071
Bank Deposits (less than 3 months maturity)*	147,738,436	21,770,000
	147,815,395	22,393,233
OTHERS		
Bank Deposits (more than 3 months but less than 12 months maturity)	20,894,586	39,344,586
Bank Deposits (more than 12 months maturity)**	16,168,105	120,712,042
	37,062,691	160,056,628
Total	184,878,086	182,449,861

* Out of which ₹12,73,39,172 is under lien with Kotak Mahindra Bank Ltd.
 ** (Previous year ₹11,96,22,338)

(₹)

NOTE "12" TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

OTHER CURRENT ASSETS

	As on 31 st March 2013				As on 31 st March 2012			
	Secured, considered good	Unsecured, considered good	Doubtful	Total	Secured, considered good	Unsecured, considered good	Doubtful	Total
Interest accrued on Investment	-	2,068,801	-	2,068,801	-	2,101,481	-	2,101,481
Security Deposits	-	428,530	-	428,530	-	428,530	-	428,530
Prepaid Expenses	-	497,778	-	497,778	-	664,278	-	664,278
Other Receivables	-	2,599,000	-	2,599,000	-	3,175,000	-	3,175,000
Advance Income Tax and TDS	-	2,846,370	-	2,846,370	-	2,307,326	-	2,307,326
Sales Tax paid against appeal	-	184,217	-	184,217	-	184,217	-	184,217
Grand Total	-	8,624,696	-	8,624,696	-	8,860,831	-	8,860,831



(₹)

NOTE "13" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

REVENUE FROM OPERATIONS	Year ending 31st March 2013	Year ending 31st March 2012
Hire-Purchase Income	13,000	12,500
Total	13,000	12,500

(₹)

NOTE "14" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

OTHER INCOME	Year ending 31st March 2013	Year ending 31st March 2012
Interest (TDS ₹ 14,41,591 Previous Year ₹ 13,73,688)	14,340,077	13,774,454
Interest on Income Tax Refund	67,693	1,464,719
Dividend Income:		
- Others	686,819	1,190,128
Short-Term Capital Gain on Sale of Mutual Fund Units	-	188,408
Miscellaneous Income	-	345,000
Total	15,094,589	16,962,709

(₹)

NOTE "15" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

EMPLOYEE BENEFITS EXPENSES	Year ending 31st March 2013	Year ending 31st March 2012
Salaries and wages	3,091,177	2,824,846
Contribution to Provident and other funds	534,467	747,510
Staff welfare expenses	305,968	264,797
Total	3,931,612	3,837,153

(₹)

NOTE "16" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

OTHER EXPENSES	Year ending 31st March 2013	Year ending 31st March 2012
Power and fuel	338,485	399,371
Repairs to machinery	37,417	-
Repairs to building	50,000	-
Repairs and Maintenance - Others	20,106	13,189
Insurance	21,037	20,698
Rates and taxes excluding taxes on income	119,985	32,632
Society Charges	2,035,993	1,721,595
Legal and Professional fees	704,796	1,302,186
Printing and Stationery	40,268	39,909
Telephone and Fax Expenses	176,876	214,693
Courier Expenses	7,291	12,624
Service Charges	573,528	525,865
Security Charges	426,092	469,829
Travelling Expenses	368,886	765,366
Conveyance	13,113	9,870
Motor Car Expenses	1,181,751	897,889
AGM Expenses	2,041,620	1,912,790

APPLE FINANCE LIMITED

(₹)

NOTE "16" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013 (Contd.)

OTHER EXPENSES	Year ending 31 st March 2013	Year ending 31 st March 2012
Registrar, Share and Debenture Expenses	870,150	824,862
Directors' Sitting Fees	12,000	12,000
Membership and Subscription	4,505	37,973
Bank Charges	150	-
Books and Periodicals	8,060	4,805
Miscellaneous Expenses	13,560	16,960
Payments to the Auditor		
(a) as Auditor	406,743	406,743
(b) for Tax Audit	112,360	112,360
(c) for Limited Review Audit	75,843	77,210
	9,660,615	9,831,419
Prior period items (in case of loss)		
Rates and taxes excluding taxes on income	489,351	(254,173)
Motor Car Expenses	-	23,814
	489,351	(230,359)
Total	10,149,966	9,601,060

(₹)

NOTE "17" TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2013

EARNING PER SHARE	Year ending 31 st March 2013	Year ending 31 st March 2012
(a) Net Profit after tax attributable to Equity Shareholders for Basic EPS	(957,488)	1,446,322
Add/Less: Adjustment relating to potential equity shares	-	-
	(957,488)	1,446,322
(b) Weighted average No. of equity shares outstanding during the year		
For Basic Earning Per Share	55,673,122	55,673,122
For Diluted Earning Per Share	55,673,122	55,673,122
(c) Basic Earning Per Share	(0.02)	0.03
Diluted Earning Per Share	(0.02)	0.03
Face Value Per Equity Share	10	10
(d) Reconciliation between No. of shares used for calculating basic and diluted earning per share		
Particulars		
No. of shares used for calculating basic earning per share	55,673,122	55,673,122
Add: Potential equity shares	-	-
No. of shares used for calculating diluted earning per share	55,673,122	55,673,122



NOTE “18” - NOTES TO CONSOLIDATED ACCOUNTS

Notes forming part of the Accounts for the year ended 31st March 2013

	As at 31 st March 2013 ₹	As at 31 st March 2012 ₹
(1) As the business was unviable, the Company 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 their 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. The Company does have business income from Interest, etc. and also have Stock-in-Trade for business and hence, accounts have been prepared on the 'Going Concern Basis' and Historical Cost Method.		
(2) Contingent Liabilities in respect of:		
(a) Claims against the Company not acknowledge as debts	100,000,000	100,000,000
(3) 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.		
(4) (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.		
(5) Prior period expenses details.		
OTHER EXPENSES	Year ending 31st March 2013 ₹	Year ending 31st March 2012 ₹
Rates and taxes excluding taxes on income	489,351	(254,173)
Motor Car Expenses	-	23,814
Total	489,351	(230,359)
(6) Remuneration to Directors:		
(a) Remuneration paid to the Managing Director:	For the year ended 31st March 2013 ₹	For the year ended 31st March 2012 ₹
Salaries and Contribution to the Provident and other funds	1,899,342	1,588,634
Perquisites*	39,600	39,600
Total	1,938,942	1,628,234
* Value of perquisites is determined as per the Income-tax Rules, 1962.		
(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.		
(7) Confirmation of balances from parties have not been received. The balances, therefore, are as per the books of account of the Company.		
(8) There are no separate reportable segments.		
(9) Demat Account holding statement as on 31.3.2013 includes 500 equity shares of Numeric Power Systems Limited, which were already sold by the Company, however, the same have not been transferred by the transferee in his own name. Consequently, dividends received on said shares have been considered as current liability.		

APPLE FINANCE LIMITED

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

Name of related party and nature of relationship	For the year ended	For the year ended
	31 st March 2013	31 st March 2012
	₹	₹
(i) Directors/Key Management Personnel : Remuneration		
(a) Mr. Mahesh K. Rachh: Managing Director	1,938,942	1,628,234
(ii) Directors and their relatives - Professional Fees		
(a) Mrs. Anita Mahesh Menon: Director's spouse	120,000	103,500
iii) Director Sitting fees		
(a) Mr. Mahesh Menon: Director	6,000	6,000
(b) Mr. Mahendra Shah: Director	6,000	6,000

(11) Consequent to the issuance of the 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 ₹19,42,30,222. 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	As at
	31 st March 2013	31 st March 2012
	₹	₹
Deferred Tax Asset:		
(1) Provision for Non-Performing Assets and Diminution in the value of Investments	20,635,653	20,635,653
(2) Carry forward losses (including Unabsorbed Depreciation)	192,561,453	199,399,635
(3) Depreciation	(18,966,883)	(19,458,484)
Deferred Tax Asset (net)	194,230,222	200,576,804

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

Unquoted		
141,000 Equity Shares of ₹10 each of Indo Deutsche Metallo Chimique Limited	24,675,000	24,675,000
	24,675,000	24,675,000

(b) Quantitative Details:-

(i) Opening Stock		
Quantity (Nos.)	141,000	141,000
Value (₹)	24,675,000	24,675,000
(ii) Purchases/Received against Claims/Acquisition on Merger/Bonus		
Quantity (Nos.)	-	-
Value (₹)	-	-
(iii) Sales/Reduction on Merger		
Quantity (Nos.)	-	-
Value (₹)	-	-
(iv) Closing Stock		
Quantity (Nos.)	141,000	141,000
Value (₹)	24,675,000	24,675,000

(13) As per the Accounting Standard 13, Stock-in-Trade (Shares) is required to be recognised at cost or fair value whichever is less. However, the same has not been followed as fair value of the shares are not available because those Company's shares are not quoted in the stock market. Hence, provision for the same has been made.

(14) Cash Flow is prepared as per Indirect Method.

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(15) The Previous Year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year's financial statement and are to be read in relation to the amount and other disclosure relating to the current year.

Signatures to Note "1" to "18"

As per our attached Report of even date

For Mahendra Kumbhat & Associates

*Chartered Accountants
Firm Regn. No.105770W*

On behalf of the Board

Amar Chand Bagrecha

*Partner
Membership No.56605*

Mahesh K. Rachh

Managing Director

Mahesh Menon

Director

Place: Mumbai

Dated: May 30, 2013

Mahendra S. Shah

Director

P. B. Deshpande

Company Secretary

APPLE FINANCE LIMITED

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

Dear Shareholder,

Green Initiative in Corporate Governance

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. Your Company supports this environment friendly initiative of the Government of India and proposes to send Notices for General Meetings/Annual Reports/other shareholder communication through electronic mode to the registered email addresses of shareholders.

Please note that as a shareholder of the Company, you will be entitled to receive physical copies of all notices and documents free of cost upon specific request made to the Company.

Shareholders, who wish to receive the Annual Report and other documents in the electronic mode, are requested to fill the form below and send the same to our Registrar and Transfer Agents viz., Sharepro Services (India) Pvt. Ltd. and also register their email ID with their Depository Participants (DP) if the shares are held in Demat mode.

Thanking you,

Yours truly,

P. B. Deshpande
Company Secretary

Date: May 30, 2013

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APPLE FINANCE LIMITED

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to Circular No.17/2011 dated 21.04.2011 and No.18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

To

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

Dear Sirs,

With reference to your circular dated May 30, 2013, I/we shareholder(s) of Apple Finance Limited, agree to receive all notices and documents including the Annual Report, Notices for General Meetings and other shareholder communication in electronic mode.

I/we request you to kindly register my/our email ID in the Company's records for sending such communication through email.

Folio No./DP ID & Client ID No. :

Name of the Shareholder :

No. of Shares :

Email ID for receipt of documents in electronic mode :

Signature
(Sole/First Shareholder)

Date:

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APPLE FINANCE LIMITED

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

ATTENDANCE SLIP

27TH ANNUAL GENERAL MEETING - SEPTEMBER 25, 2013, 3.30 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 27th Annual General Meeting of the Company at M. C. Ghia Hall, Bhogilal Hargovindas Building, Floor 4, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 on Wednesday, September 25, 2013.

.....
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

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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 27th Annual General Meeting of the Company to be held
at 3.30 p.m. on Wednesday, September 25, 2013 and at every adjournment thereof.

Signed this day of 2013.

Signature

Affix ₹ 1/-
Revenue
Stamp

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.

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BOOK-POST

IF UNDELIVERED, PLEASE RETURN TO:

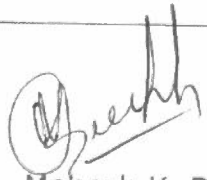
SHAREPRO SERVICES (INDIA) PVT. LTD.

Unit : Apple Finance Limited

13AB, Samhita Warehousing Complex, Floor 2, Sakinaka Telephone Exchange Lane
Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072

FORM 'B'

Format of covering letter of the Annual Audit Report to be filed with BSE Limited

1.	Name of the Company	Apple Finance Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit qualification	Subject to: (a) Point No.1 of Note '19' regarding 'going concern' assumption of the Company. (b) Point No.11 of Note '19' regarding non-consideration of Deferred Tax Assets (Net) amounting to Rs.194,230,222.
4.	Frequency of qualification	(a) The qualification is appearing since the financial year ended March 31, 2004. (b) The qualification is appearing since the financial year ended March 31, 2002.
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report.	(a) [Annual Report Page No.22] The Company can in future carry on the business of Non-Banking Financial Institution after taking necessary approval from Reserve Bank of India. (b) [Annual Report Page No.23] 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.
	Additional comments from the Board/ Audit Committee Chair.	None
5.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	 Mahesh K. Rachh Managing Director

