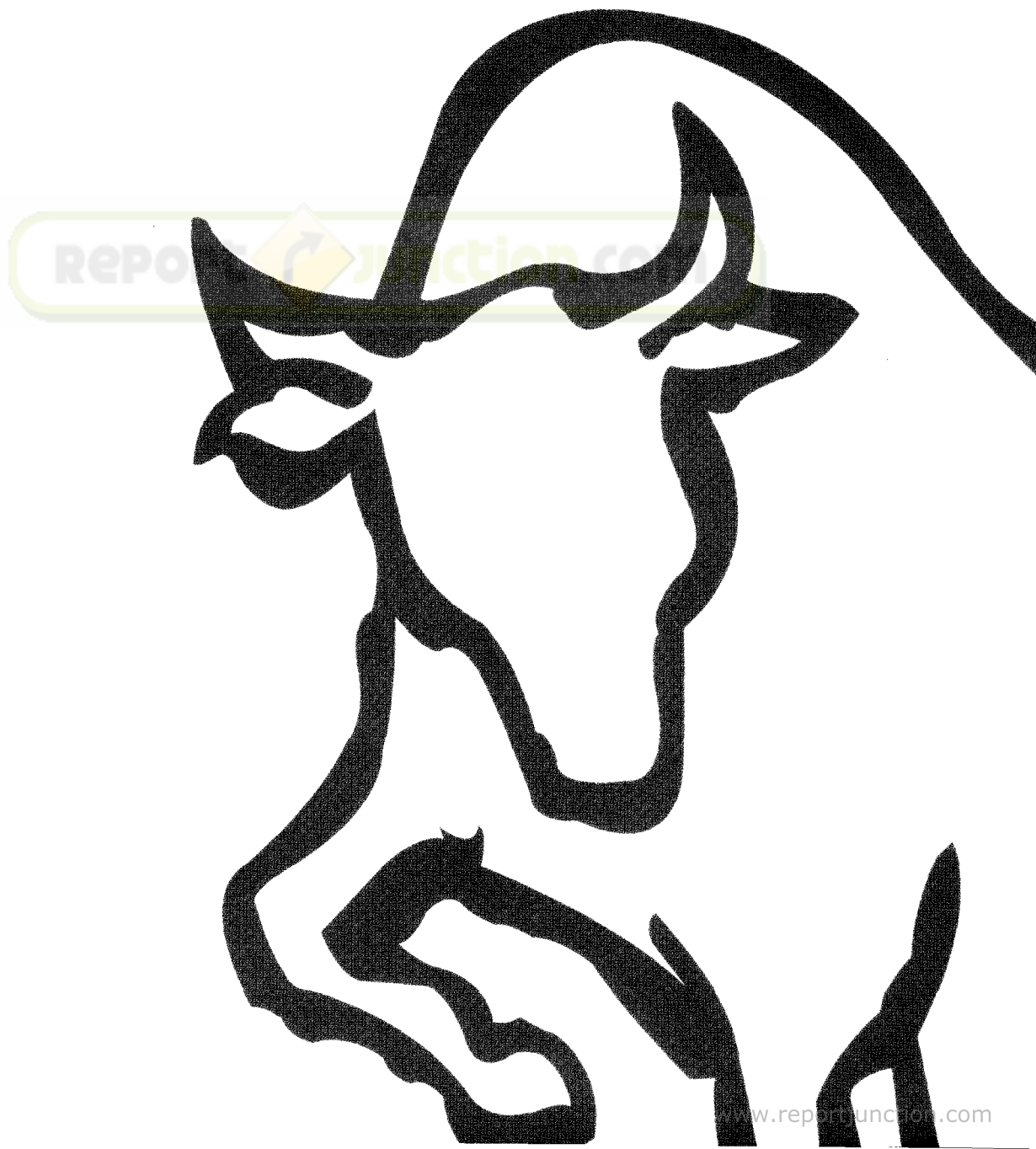




EQUITIES • DERIVATIVES • COMMODITIES • DEPOSITORY • MUTUAL FUNDS

ANNUAL REPORT 2005-06



Annual Report March 2006**BOARD OF DIRECTORS**

Mrs Suneeta Reddy	Chairperson
Mr S Narayanan	Director
Mr K Padmanabhan	Director
Mr S K Venkataraman	Director
Mr V J Chacko	Director
Mr P B Subramaniyan	Executive Director

Company Secretary Mrs Geetha Sridhar

Auditors

R Subramanian & Company

Chartered Accountants

36, Krishnaswamy Avenue

Mylapore, Chennai 600 004.

Bankers**Bank of India**

Annanagar Branch,
W124, III Avenue,
Chennai 600 040.

Corporation Bank Limited

CAPS Branch, 27,
Whites Road,
Chennai 600 014.

ICICI Bank Limited

Nungambakkam Branch,
110, Prakash Presidium,
Chennai 600 034.

Canara Bank

Thousand Lights Branch,
No.5, Grems Road,
Chennai 600 006.

HDFC Bank Ltd

Anna Salai Branch,
ITC Centre,
Chennai 600 002.

State Bank of India

Thousand Lights Branch,
129, Grems Road,
Chennai - 600 006.

Apollo Sindhoori Capital Investments Limited

NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the members of M/s Apollo Sindhoori Capital Investments Limited, will be held on Monday, 24th July, 2006 at 3.00 p.m. at Music Academy, Mini Hall, New No.168, Old No. 306, T T K Road, Chennai 600 014 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2006, the Profit and Loss Account for the financial year ended 31st March, 2006 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mrs. Suneeta Reddy who retires by rotation and being eligible, offers herself for re-election.
3. To appoint a Director in the place of Mr. S.Narayanan who retires by rotation and being eligible, offers himself for re-election.
4. To declare final dividend of Rs. 4/- per share on 27,70,000 Equity Shares and confirm interim dividend of Rs. 2/- per share on 27,70,000 Equity Shares already paid for the financial year 2005-06.
5. To Appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:*

Increase in remuneration of Mr. P.B.Subramaniyan: -

"RESOLVED THAT in accordance with the provisions of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company be and hereby approves the revised remuneration payable to Mr.P.B.Subramaniyan, Whole Time Director of the Company w.e.f 01.10.2005 as detailed below, with liberty and powers to the Board of Directors (hereinafter referred to as "The Board" which term shall include its committee constituted for the purpose) to grant increments in salary and to alter and vary from time to time the amount and type of perquisites and allowances to be provided to Mr P B Subramaniyan within the applicable limits as specified in Schedule XIII of the Act or any amendments thereto;

I Salary:

Rs.1,40,000/- per month with an authority to the Board to grant such further increases from time to time as they may deem fit within the limits specified in Schedule XIII of the Act, as may be amended from time to time.

II Performance Linked Incentive:

Subject to the ceiling stipulated in Sections 198 and 309 of the Act, such amounts as may be determined by the Board for each financial year.

- III In addition to the above, Mr P B Subramaniyan, will be entitled to reimbursement of expenses in respect of conveyance and business promotion, as per Company's Policy in force from time to time or as may be decided by the Board.

- IV **LTA:** Besides the company shall pay leave travel allowance of one month Basic and DA every year.

- V **Medical Benefits:** The Company shall medically insure the appointee and his family besides reimbursement of out patient bills of the appointee and his family including dependants.

- VI **Gratuity and Provident Fund:** applicable as per the rules of the Company.

RESOLVED FURTHER THAT if in any financial year the company has no profits or its profits are inadequate, Mr P B Subramaniyan, shall be entitled to receive the same remuneration, perquisites and benefits as above, subject to compliance with the provisions of Schedule XIII of the Act, if and to the extent necessary, with the approval of the Central Government."

Annual Report March 2006

7. *To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:*

Increase in Borrowing Powers

"RESOLVED THAT the consent of the company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company to borrow from time to time all such sums of money as they may deem fit, requisite for the purpose of the business of the Company notwithstanding that money(s) to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) all exceed the aggregate of the paid-up capital of the Company and its free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total amount up to which money(s) may be borrowed by the Board of Directors shall not exceed the sum of Rs.150 crores (Rupees one hundred fifty crores only) at any time."

By order of the Board
for **APOLLO SINDHOORI CAPITAL INVESTMENTS LIMITED**

Place : Chennai
Date : 26th June 2006

GEETHA SRIDHAR
Company Secretary

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company. The instrument appointing proxy shall be deposited with the Company at its registered office at least 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Book will remain closed from 14th July 2006 to 24th July 2006 (both days inclusive).
3. Members are requested to immediately intimate any change in their address registered with the Company.
4. Members are requested to address all communications to the Secretarial Department at the address given below:-

Ali Towers
55 Greaves Road
Chennai 600 006.

Apollo Sindhoori Capital Investments Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

The Board of Directors of the Company revised the remuneration of Mr. P.B. Subramaniyan, Whole-time Director with effect from 1st October, 2005, in conformity with the regulations of the Articles of Association of the Company and pursuant to the provisions of Section 198, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

Further, the overall remuneration payable to Mr. P.B. Subramaniyan, Whole Time Director shall not exceed 5% of net profits of the Company, calculated in accordance with the provisions of section 349 & 350 of the Companies Act 1956, in any financial year. However, in the event of any loss, absence or inadequacy of profits in any financial year, during his term of office, the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, exceed the limits prescribed under Section II Part II of Schedule XIII of the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof and if and to the extent necessary, the Company shall do so only with the approval of the Central Government.

During the tenure of office as Whole time Director he shall not be liable to retire by rotation.

The Directors recommend the resolution for approval of the members.

None of the Directors, except Mr. P B Subramaniyan to the extent of his directorship, is interested in this resolution.

Item no. 7

Pursuant to the authority granted by the members in the 2nd Annual General Meeting held on 15.09.1997, the Board of Directors of the Company has powers to borrow monies, which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs. 100 crores. With the Company's increased working capital requirement your Board thinks it necessary to place before you the proposal to increase the maximum borrowing limit to Rs. 150 Crores.

Due to increased market volatility, the company being in stock broking business, its working capital requirement increases in two ways – firstly greater Exposure Margin and secondly enhanced Pay-in Obligation to Exchanges. Further, the impact is observed to be greater at times when market falls. These factors necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies not exceeding Rs.150 crores.

None of the Directors of your Company is interested in the said proposal and recommends your approval thereof in the interest of the Company.

By order of the Board
for **APOLLO SINDHOORI CAPITAL INVESTMENTS LIMITED**

Place : Chennai
Date : 26th June 2006

GEETHA SRIDHAR
Company Secretary

APOLLO SINDHOORI - PERFORMANCE & PROGRESS

Performance - A Comparison	Growth in %	April-March 2006 (Rs. in lacs)	April-March 2005 (Rs. in lacs)	April-March 2004 (Rs. in lacs)	Growth in %
Increase in No of Client Registered	57	37,000	23,538	13,488	75
Total Income Earned	47	5,663	3,842	2,350	63
Profit before Tax	61	1,299	807	558	45
Net Profit after Tax	36	843	622	466	34
Franchisee earnings	18	3,116	2,651	1,245	113
Our share from franchisee Income	36	1,714	1,256	590	113
Total number of offices	33	456	343	237	45
NSE Volume (in crores)	73	6,393,722	3,687,045	3,230,146	14
Our Volume (in crores)	79	66,576	37,105	29,036	28
Our Market Share (%)	3	1.04	1.01	0.90	12

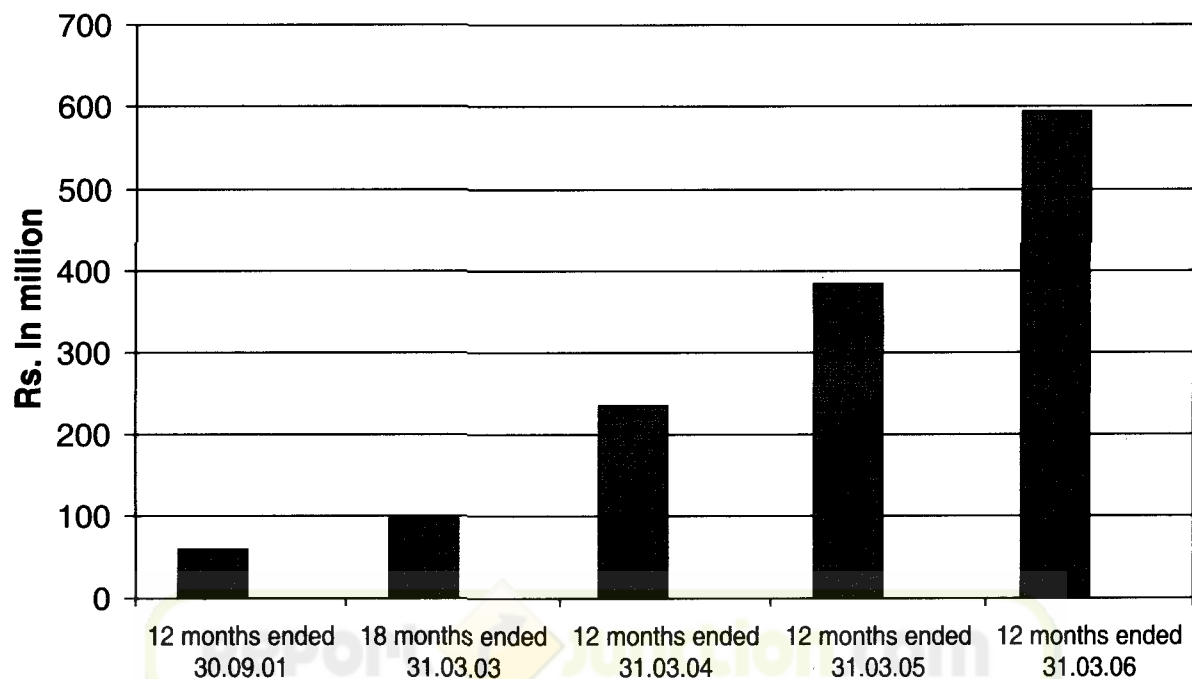
The table above shows the growth-centric performance of the organization during the year under consideration. The volumes have gone up 79% and the net profit after tax by an impressive 36%. The company has been focusing on expansion mainly through developing the branch network. The number of offices during the year under consideration has gone up by 113. The client base recorded a sizeable increase of 57%.

The primary target of 1000 offices looks well within reach. More focus is being given to this aspect along with new client acquisition. Commodities trading, now being done from around 150 locations is scheduled to spread over to maximum possible number of locations, possibly over 200. This could happen easily since plans are afoot to include trading on MCX and online back office facilities during the current year.

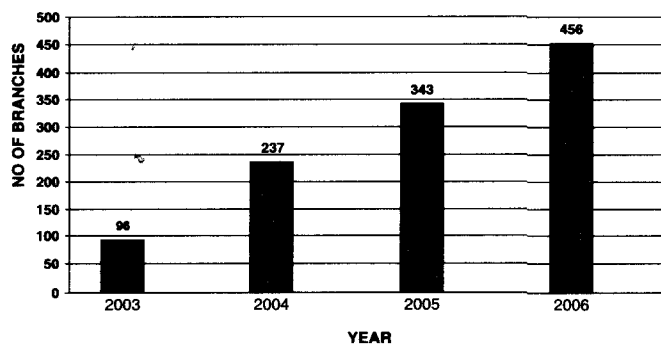
Arbitrage department has commenced operations during the year under consideration and has turned in an impressive performance. The current year is likely to witness enhanced growth in the size and number of accounts. Distribution of Mutual Funds and Insurance products is also likely to record further growth since special attention is being paid to spread and beef up the services.

Apollo Sindhoori Capital Investments Limited

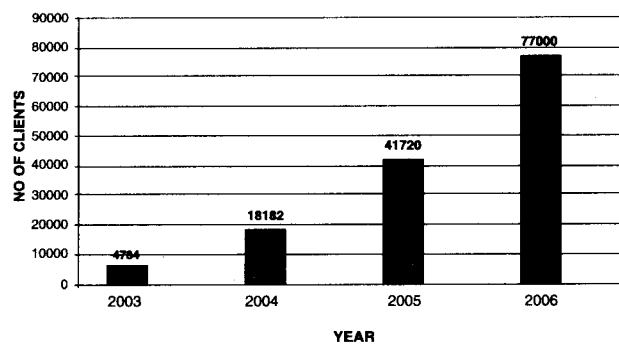
INCOME GROWTH



PROGRESS IN NUMBER OF BRANCHES



GROWTH - CLIENT BASE



Annual Report March 2006

DIRECTORS REPORT

The Board of directors of your Company have great pleasure in presenting the 10th Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March 2006.

Financial Results :

	(Rs In lacs)	
	31.03.2006	31.03.2005
Income	5663	3842
Operating Profit before Interest Depreciation and Tax	1853	1114
Less : Interest	263	107
Operating Profit before Depreciation & Tax	1590	1007
Less : Depreciation	291	200
Profit before Tax	1299	807
Less : Provision for Tax including deferred tax	456	185
Profit after Tax	843	622

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:

India is increasingly attracting the world's interest as a result of the country's impressive economic performance, brought about by the liberalization process of the past two decades and its opening up to the world economy. The foreign direct investment flow is likely to cross for the first time \$8 billion in 2005-06, a clear \$1 billion more than the projections. With the opening up of additional sectors of industry in the last couple of years, the FDI flow in 2005-06 was much higher than \$5.3 billion in the previous year. The FDI flow may touch \$12 billion in 2006-07, which is 300 per cent increase in three years.

The year under consideration has seen Indian capital markets touching unscaled peaks. BSE Sensex touched a high of 11338 before closing at 11307 on 31.03.2006 to end the financial year on a spectacular note. From the level of 6493 on 31.03.2005 this is a record gain of 76%. This buoyancy also reflected in the overall performance of your organization.

The Company added 120 offices during the year under consideration and the client base stands at over 77,000 recording an impressive growth of 57% from around 45,000 of previous financial year. Since more prominence was given to commence own branches, the staff strength has increased to 645 as on 31.03.2006 from 289 as on 31.03.2005. The number of offices has correspondingly gone up from 343 to 456 during the same period with the number of own branches growing from 38 to 117.

Commodities trading by the Subsidiary Company has taken good strides and extended the facility to over 150 locations. Plans are also afoot to set up own offices at all cash market centers all over the country. Inclusion of trading facilities on MCX during the current fiscal is likely to boost the volumes and income of this segment of business.

Another vital area of development is Internet trading. With the Internet client base increasing to around 4000, the volumes are expected to go up accordingly. The current fiscal shall witness further impressive growth in this segment with specifically focused marketing strategies.

This is a technology driven organization and your company keeps abreast with all the technological advancements in the industry. Our systems, be it hardware or software, we are equipped with the state of the art technology which helps us in rendering most effective client service.

Industry Structure and developments:

The stock broking industry in India is multi-layered with the members of stock exchanges acting as agents between the exchanges and investors. The year under consideration has proved to be highly fulfilling for capital markets. Huge inflow from FII and Indian Institutions has seen the markets rising to dizzy heights providing immense opportunities for investors to make money and in the process enabling stock broking organizations to prosper.

Apollo Sindhoori Capital Investments Limited

Institutional funds played a major role in the growth of capital markets in India. The Indian equity market continues to attract interest from an ever-growing set of investors, given the number of investment opportunities and the improved economic environment. The improved capital market environment resulted in a number of entry and exit points for the participants thereby reaffirming the faith reposed by investors in Indian corporates and their performance.

Opportunities And Threats:

The industry offers immense opportunities to the members. Scope for earning is available for individuals/institutions, the trend being either bullish or bearish, keeping the brokers' business outlook positive.

However the stock broking industry is plagued with serious external threats. As is being witnessed, highly volatile crude prices and weak global trends affected the markets so much that in spite of positive corporate results coupled with expectation of regular and normal monsoon could not better the stock market environment in the country. In addition to this, withdrawal of huge monies by FII also affected the sentiment so seriously that the whole trend could turn bearish. Such threats are always associated with the markets.

Segment-Wise Or Product-Wise Performance Outlook:

The commodities market is looking attractive after the recent corrections. The global trend indicates good prospects for the segment. Arrangements are being made for IPO participation of all the clients with online punching facility. This is expected to go a long way in facilitating retail investors, from nook and corner of the country, irrespective of the location being a bidding/collection center. The distribution channels for Mutual Funds and Insurance taken up by us being strengthened and spread over. This business channel is expected to contribute to the company's top line substantially during the current year.

Risks And Concerns:

The single serious concern for broking industry is declining volumes when the markets turn down. This could be compensated to a certain extent by having multiple financial products distribution through the branches.

SUBSIDIARY:

The statement relating to the financials of the Company's Subsidiary Apollo Sindhoori Commodities Trading Limited is attached.

The Company has applied to Central Government seeking exemption under Section 212(8) of the Companies Act, 1956, from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and the Auditors' Report of the subsidiary company and other documents required to be attached under Section 212 of the Act to the Balance Sheet of your Company. The Annual Accounts of the Subsidiary Company is open for inspection by any member / investor and the Company will make available these documents / details upon request by any member of the Company who may be interested in obtaining the same.

DIVIDEND:

The Board of Directors, considering the performance of the Company recommends a dividend of Rs.6/- per share (including the interim dividend of Rs.2/- per share already paid) to be paid on 27,70,000 equity shares and 10% dividend on 2,00,000 redeemable preference shares, subject to the approval of the members. The said dividend will be paid to all equity shareholders and preference shareholders whose name appear in the Register of Members on the book closure date to be announced later.

BONUS SHARES:

The Board of Directors, have approved issue of Bonus shares in the ratio of 1:1 to those shareholders whose name appear in the Register of Members on the book closure date to be announced later. Approval of the members for capitalization of reserves is being obtained through postal ballot.

CORPORATE GOVERNANCE:

The company complies with the requirements of Listing Agreement with the Stock Exchange where the Company's shares are listed.

The report on Corporate Governance is included as part of the Directors' Report.

A Certificate from the Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this report.

Annual Report March 2006**DIRECTORS:**

Your Directors, Mrs. Suneeta Reddy and Mr. S. Narayanan, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS:

M/s. R. Subramanian & Company, Chartered Accountants, retire at the conclusion of the 10th Annual General Meeting and are eligible for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm:

1. That in the preparation of Annual Accounts for the year, applicable Accounting Standards have been followed along with proper explanations relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period;
3. That 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;
4. That the Directors have prepared the Annual Accounts on a going concern basis.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

Statement of information as per Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy or technology absorption etc. is not applicable to the activities of the company. The company does not have any foreign exchange earnings or outgo.

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 :

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors Report.

Name	Age	Designation	Gross Remuneration Rs. In lacs	Qualification	Experience In years	Date of joining	Details of Previous Employment
P.B. Subramaniyan	49 years	Whole Time Director	24.08	B.Com., FCS	23 years	01.10.1998	Whole Time Director of Om Sindhoori Capital Investments Limited

LISTING :

The Bombay Stock Exchange Limited has permitted our shares to be traded in the Indo next segment from 23rd August 2005.

ACKNOWLEDGEMENTS :

Your Directors place on record their appreciation to the Company's Bankers, shareholders and clients for the continued co-operation and support and look forward to receive the same in all the endeavours of the Company in future.

Your Directors wish to place on record their deep sense of appreciation for the contribution of all the employees for their dedicated performance.

For and on behalf of the Board

Place : Chennai
Date : 3rd May 2006

Mrs. SUNEETA REDDY
Chairperson