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Annual Report 2007 - 2008

Apollo Sindhoor
Capital Investments Limited

APOLLO SINDHOORI CAPITAL INVESTMENTS LIMITED

Regd. Office : 'Ali Towers' No. 55, Greams Road, Chennai – 600 006

Telephone : 044 – 39190002 / 03 Fax : 044 – 28290835

Email : sectl@ascilonline.com Website: www.apollosindhoori.com



Date : 12th August, 2008

Dear Shareholder(s),

Sub: Sub-division of shares of Rs.10/- each into shares of Re.1/- each (Stock Split)

The shareholders of the Company had accorded their consent through postal ballots for the stock split i.e. sub-division of one equity share of face value of Rs.10/- each fully paid-up into ten equity shares of face value of Re.1/- each fully paid-up. Consequently, the holders of the equity shares of the Company will receive ten equity shares of face value of Re.1/- each fully paid-up for every Rs.10/- fully paid-up equity share held. The Company has fixed 18th July, 2008 as the Record Date for the purpose of Stock Split.

Shareholders holding shares in Physical Form:

Shareholders holding shares in physical form would be issued one new share certificate for their total holding for each folio in lieu of the original holding. Shareholders are requested to surrender their existing share certificate(s) alongwith the duly filled in Form printed on the reverse and send the same to our Registrar & Share Transfer Agent (RTA), M/s. Cameo Corporate Services Limited, Unit : Apollo Sindhoori Capital, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002.

The new share certificate(s) will be directly dispatched to the concerned shareholder on receipt of the original share certificate(s). It is also advised that the shareholder should cancel the original share certificate(s) on the face of it by indicating '*submitted for exchange of new share certificate*'.

Shareholders, who wish to split their holdings into more than one certificate at a later date could send the new share certificate in original to our RTA for split, at free of cost.

Shareholders holding shares in Dematerialised Form:

Shareholders holding shares in dematerialised form on the record date were credited on 19th July, 2008, with 10 equity shares of Re.1/- each fully paid for every one equity share of Rs.10/- each held.

All communication seeking clarification in connection with sub-division of shares may be addressed to our RTA.

Thanking you,

Yours faithfully,

For Apollo Sindhoori Capital Investments Limited

Geetha Sridhar
Company Secretary

FORM

(FOR USE BY SHAREHOLDERS OPTING TO EXCHANGE THEIR EXISTING SHARE CERTIFICATE(S)
WITH NEW SHARE CERTIFICATE)

Date :

From:

By Regd. Post / Courier

To :

M/s. Cameo Corporate Services Limited

Unit : Apollo Sindhoori Capital

'Subramanian Building' No.1, Club House Road,
Chennai - 600 002.

Phone: 044 - 2846 0390

Dear Sirs,

**Sub: Apollo Sindhoori Capital Investments Ltd. - Sub-division / Stock Split - Surrender
of original share certificate(s) for exchange of new share certificate.**

Ref: Folio No..... No. of Shares held.....

With reference to your letter dated 21st July 21, 2008 regarding sub-division of existing equity shares of Rs.10/- each into equity shares of Re.1/- each, I/We, hereby surrender my/our original share certificate(s) of Rs.10/- each, as detailed below and request you to issue new share certificate for the sub-divided shares:

Sl .No.	Share Certificate No.	Distinctive Numbers		No. of Shares
		From	To	
Total				

(Note : If the above space is not sufficient, please attach a separate sheet)

Signature

First/Sole holder

.....

Second holder

.....

Third holder

Name :

Annual Report March 2008**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 and Company
Chartered Accountants
No.6, Krishnaswamy Avenue,
Luz, Mylapore, Chennai 600 004.

Bankers

Bank of India
Annanagar Branch,
W124, III Avenue,
Chennai 600 040.

Canara Bank
Thousand Lights Branch,
No.5, Greams Road,
Chennai 600 006.

Corporation Bank Limited
CAPS Branch,
27, Whites Road,
Chennai 600 014.

HDFC Bank Limited
Anna Salai Branch,
ITC Centre,
Chennai 600 002.

ICICI Bank Limited
Nungambakkam Branch,
110, Prakash Presidium,
Chennai 600 034.

State Bank of India
Thousand Lights Branch,
129, Greams Road,
Chennai 600 006.

The Federal Bank Limited
Mount Road Branch,
61, Anna Salai,
Chennai 600 002.

Annual Report March 2008**NOTICE**

NOTICE is hereby given that the 12th Annual General Meeting of the members of M/s. Apollo Sindhoori Capital Investments Limited, will be held on Monday, the 15th September, 2008 at 10.15 a.m. at The Music Academy, "Mini Hall", No.168, T.T.K. Road, Royapettah, Chennai - 600 014 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2008, the Profit and Loss Account for the financial year ended 31st March, 2008 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. V.J. Chacko, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. K. Padmanabhan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To declare final dividend of 10% and to confirm the first & second interim dividend paid during the financial year 2007-08.
5. To appoint the Auditors and to fix their remuneration.

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

Place : Chennai
Date : 29th July, 2008

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 9th September, 2008 to 15th September, 2008 (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

DIRECTORS' REPORT

The Board of Directors of your Company has great pleasure in presenting the 12th Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March 2008.

FINANCIAL RESULTS:

(Rs. in lacs)

	31.03.2008	31.03.2007
Income	12284	6939
Operating Profit before Interest, Depreciation and Tax	4682	2008
Less : Interest	822	300
Operating Profit before Depreciation & Tax	3860	1708
Less : Depreciation	357	261
Profit Before Tax	3503	1447
Less : Provision for Tax including Deferred Tax	1289	495
Profit After Tax	2214	952

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:

The Indian financial markets remained largely orderly during 2007-08, barring the equity market which witnessed bouts of volatility, especially beginning the second week of January 2008 in tandem with trends in major international equity markets. Over the year, however, the equity market registered gains. Volatility was due to volatility in international financial markets as uncertainties about the US sub-prime mortgage market exposures persisted and spilled over to markets for other assets.

GDP growth rate was placed at 8.7 per cent in 2007-08 as compared with 9.6 per cent in 2006-07, reflecting moderation in growth in all the three sectors, viz., agriculture and allied activities, industry and services.

In the foreign exchange market, the Indian rupee generally exhibited two-way movements against major currencies.

FDI equity inflow during the financial year 2007-08 at nearly US \$ 25.5 billion (US \$ 15.7 billion) as compared to the inflow (US\$ 19.6 billion) received during the previous year. The FDI inflow during the month of February was the highest ever during any month since 1991. India has emerged as the second most attractive location after China, ahead of the US and Russia, for global FDI in 2007. A large portion of the FDI flow was into skill intensive and high value-added service industries, particularly financial services and information technology. India, in fact, dominates the global service industry in terms of attracting FDI with its unbeatable mix of low costs, deep technical and language skills, mature vendors and supportive government policies.

Global investors have also shown increasing interest in other sectors as well. Particular amongst them have been telecommunication, energy, construction, automobiles, electrical equipment among others. For example, all the five leading global telecom companies have made significant investment in India. Similarly, leading automobile companies have set up their manufacturing base in India.

GLOBAL DEVELOPMENTS:

The world economy grew strongly in the first half of 2007 and momentum appears to have remained solid in the September quarter in most economies. Global financial markets experienced significant turbulence in August and September as the fallout from the deteriorating conditions in the US housing sector led to a general re-pricing of risk across a range of assets. The Fed poured billions of dollars into the US banking system to slow down the hemorrhage from the sub-prime mortgage blowout, whose effects have now spread to the commercial market. Other Central Banking

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Systems around the Globe, including the European Central Bank and the Central Banks of Japan and Australia, performed similar injections of emergency liquidity. Despite this the Global commodity prices firmed up during 2007-08 led by sharp increases in food and crude oil prices. Metal prices, which had witnessed some moderation during June-December 2007, rose again during January-March 2008. Agricultural raw materials prices, however, remained largely range bound during 2007-08.

According to the World Economic Outlook (WEO) of the International Monetary Fund (IMF), the forecast for global real GDP growth, on a purchasing power parity basis, is expected to slow from 4.9 per cent in 2007 to 3.7 per cent in 2008.

Continuing strong demand and dwindling stocks are reflected in a tight supply-demand food situation globally, leading to the emergence of food price inflation as a key risk to global stability.

The outlook for the global financial system is overcast by the rising incidence of losses and write-offs in banking systems in the US and Europe amidst dislocations in the securitised credit market. There are also growing uncertainties surrounding the viability of financial guarantors and doubts about their business models as well as the approach of rating agencies with potential systemic implications.

In the overall assessment, there have been significant shifts in both global and domestic developments in relation to initial assessments. The dangers of global recession have increased at the current juncture although consensus expectations do not rule out a soft landing. On the domestic front, the outlook remained positive up to January 2008. Since then, the prospects for growth in the year ahead have been trimmed as risks to inflation and inflation expectations from the upside pressures due to international food, crude and metal prices have become more potent and real than before.

INDUSTRY STRUCTURE AND DEVELOPMENT:

In the last decade, the Indian brokerage industry has undergone a dramatic transformation. From being made of close groups, the broking industry today is one of the most transparent and compliance oriented businesses. Long settlement cycles and large scale bad deliveries are a thing of the past with the advent of T+2 settlement cycle and dematerialisation. Large and fixed commissions have been replaced by wafer thin margins, with competition driving down the brokerage fee, in some cases, to a few basis points.

There have also been major changes in the way business is conducted. Technology has emerged as the key driver of business and investment advice has become research based. At the same time, adherence to regulation and compliance has vastly increased. The scope of services have enhanced from being equity products to a wide range of financial services. Investor protection has assumed significance, and so has providing them with education and awareness.

The Indian Capital Market attained further depth and width during 2007. On a point to point basis, Sensex and Nifty indices rose by 47.1 and 54.8 per cent respectively during 2007. The BSE Sensex has recorded unprecedented high levels, from 14383 in April 2007 to 21206 in January 2008. The valuation of Indian stocks as reflected in P/E multiples of around 27 times end December 2007 was the highest amongst the select emerging market economies such as South Korea (15.04), Thailand (19.92), Malaysia (16.07), Indonesia (18.43) and Taiwan (20.14).

However the historical crash of the capital markets on 21st and 22nd January has witnessed the Sensex losing over 4000 points resulting in huge losses all over. Though the Sensex has bounced back in a small way, to close at 15644 for the F Y 2007-08 the severely dwindled volumes are yet to recover.

Policy and Regulatory changes for the capital markets introduced during the year include, amendments to Disclosure and Investor Protection Guidelines; appointment of a sub-committee on Disclosures and Accounting for integrating initial and continuous disclosures of companies; stipulation that Permanent Account No. would be the sole identification number for all participants in the security markets; successful completion of demutualization process by 16 stock exchanges; SEBI permitting short selling by Institutional investors and waiver of entry load by mutual funds for investors making applications for investment in mutual fund schemes directly.

Apollo Sindhoori Capital Investments Limited

The growth curve of Indian economy provides a strong foundation for sustainable growth across our business segments. We can substantially expand our business by cross selling our various products to our customers and offer wealth management solutions.

REVIEW OF OPERATIONS:

The Company added 237 offices during the year under consideration and the client base stands at over 159000 recording an impressive growth of 49% from around 107,000 of previous financial year. The number of offices has correspondingly gone up from 561 to 798 during the same period with the number of own branches growing from 168 to 197.

OPPORTUNITIES AND THREAT:

The industry offers immense opportunities for participants. With the economy having recorded healthy growth and more individuals reportedly accumulating wealth, the overall scenario has been reasonably encouraging.

With more money available for investments companies with multiple investment channels garner better advantage over competition. Apollo Sindhoori has made rapid strides in this direction by launching Portfolio Management Services and strengthening its distribution channels for Mutual Funds and Insurance, in addition to the spectrum of services/products on offer.

The major threat in the industry is competition. Notwithstanding the severe competition more and more corporate and Multi-National players are entering the markets. In addition to this many FIIs are also entering the fray, overutilising the limited space. Some of the institutions come with strong financial muzzel, which strains the top and bottom lines of the existing organizations.

RISK AND CONCERNS:

Economic slowdown, serious concerns on inflation and its consequences, political uncertainty and a further rise in interest rates remain key concerns. American sub-prime is a major factor that has excessive influence on the markets. We would also be affected if the stock markets were to decline sharply, as performance of the stock markets contribute substantially to the growth of your company and its earnings.

The Capital market industry, in which your company is operating, is subject to extensive and stringent regulations. However, your company has a proper and adequate internal control mechanism designed to ensure regulatory compliance.

Changes in technology may render company's current technology obsolete and may require a substantial capital investment. The company evaluates technological obsolescence on an on going basis and makes investment accordingly.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE OUTLOOK:

Apollo Sindhoori Commodities Trading Limited (ASCTL) had introduced '**Systematic Gold Savings Scheme**' for purchase of gold by investors through Commodity Exchanges during last year. The scheme, which was initially launched in Tamil Nadu has received a positive response from the clients. In view of this success, the scheme was launched all over India.

The scheme enables investors to derive the benefits of buying 100 grams of Gold in futures in Commodity Exchanges by locking in the price at the current level. This is indeed a highly beneficial scheme for investors who plan to invest in gold on an instalment basis. Clients can also pay the entire amount at any time and take delivery of gold.

Moving in line with the futures trading in Commodities, ASCTL also launched its trading on Safal National Exchange (SNX). SNX is a delivery based electronic spot market for horticulture commodities aimed at building a National Integrated Produce Market in an exchange format. It provides a platform, where sellers can sell at the best possible rate and buyers can buy at the most competitive rate. ASCTL has been one of the most active participants on this exchange platform. The total turnover was around 1000 tonnes during the period Dec '07 till Mar '08.

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As proposed in last year's Annual Report, Internet trading facility for trading in commodities was introduced from July 2007. This has facilitated ease of trading for clients on both NCDEX and MCX from a single terminal. The overall volume during the year 2007-08 was around Rs.8,900 crores across NCDEX and MCX.

CONTRIBUTION TO EXCHEQUER:

We are happy to inform you that your company had been very prompt in paying their dues to the Government and the total contribution to the exchequer during the last financial year is over Rs.25 crores in the form of Service Tax, Income Tax, Securities Transaction Tax, Fringe Benefit Tax and Dividend Tax.

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 dividend of 10% per share (in addition to the Interim dividend of 70% per share already paid) to be paid on equity shares of the company. The said dividend will be paid to all equity shareholders whose name appear in the Register of Members on the book closure date to be announced later.

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 Practising Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

DIRECTORS:

Your Directors Mr. K. Padmanabhan and Mr. V.J. Chacko, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS:

M/s. R. Subramanian and Company, Chartered Accountants, retire at the conclusion of the 12th Annual General Meeting and are eligible for re-appointment.

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;

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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	51 years	Whole-time Director	42.97	B.Com., FCS	25 years	01.10.1998	Whole-time Director of Om Sindhoori Capital Investments Limited

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 : 22nd May 2008

Mrs. SUNEETA REDDY
Chairperson