



APOLLO FINVEST (INDIA) LIMITED

**ANNUAL REPORT
2001 - 2002**

**BOARD OF DIRECTORS:**

SMT ANJU R. INNANI	MANAGING DIRECTOR
SHRI UMANATH R. AGARWAL	EXECUTIVE DIRECTOR
SHRI NARAYAN T. RATHI	DIRECTOR
SHRI DINESH R. INNANI	DIRECTOR

AUDITORS:

SHANKARLAL JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS:

GLOBAL TRUST BANK LIMITED
SANGLI BANK LIMITED
SYNDICATE BANK

REGISTERED OFFICE:

JEWEL ARCADE,
PLOT NO.123, 1ST FLOOR,
WATERFIELD ROAD,
BANDRA (WEST),
MUMBAI - 400 050.

SHARE DEPARTMENT:

JEWEL ARCADE,
PLOT NO.123, 1ST FLOOR,
WATERFIELD ROAD,
BANDRA (WEST),
MUMBAI - 400 050.

REGISTRARS:

(For Electronics Connectivity only)

INTIME SPECTRUM REGISTRY LTD
260, SHANTI INDL. ESTATE,
SAROJINI NAIDU ROAD,
MULUND (W),
MUMBAI - 400 080.

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NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of **APOLLO FINVEST (INDIA) LIMITED** will be held at No.1, Party Hall, Sumer Nagar, S. V. Road, Borivali (West), Mumbai 400 092 on **Friday, September 27, 2002 at 1:00 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2002 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Shri Narayan T. Rathi who retires by rotation and being eligible, offers himself for reelection.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statute as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered by insertion of the following Article 40(g) after the existing Article No. 40(f).

Article 40(g):

In any case where the buy-back is or less than 10% of the total paid-up equity capital and free reserves of the Company or such other limit as may be prescribed by the Act from time to time, the Company may buy-back its shares with the authorisation by the Board of Directors of the Company by means of a resolution passed at its meeting.

For and on behalf of the Board of Directors

Place: Mumbai **UMANATH R. AGARWAL**
Date: 14th August, 2002 **EXECUTIVE DIRECTOR**

Registered Office:

"JEWEL ARCADE" Plot No. 123, 1st Floor,
Waterfield Road, Bandra (West),
Mumbai - 400 050.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 20, 2002 to Friday, September 27 2002 [both days inclusive.]
4. If the Members have any queries on the Audited Accounts, Directors' Report, Auditors' Report, the same should be forwarded to the Company in writing at its Registered Office at least 10 days before the Meeting, so that the same can be replied at the time of Annual General Meeting.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, for Item No. 4 of the Notice is annexed hereto.
6. Pursuant to the provisions of newly inserted Section 109A and 109B of the Companies Act, 1956, members are informed that every holder of the shares of the Company may at any time nominate, in the prescribed manner, a person to whom his/her shares of the Company shall vest in the event of his/her death.
7. Pursuant to Section 205A(5) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 w.e.f. 31/10/98 any money transferred to the unpaid dividend account of the Company in pursuance of Section 205A(1), which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to The Investor Education and Protection Fund established under Section 205C(1) of the Companies Act, 1956 and no claim shall lie against the Fund or the Company in respect of individual amounts which remain unclaimed and unpaid for a period of seven years from the dates that they first became due for payment.
8. The members who have so far not encashed their dividend warrants for the year ended 31st March 1996 should approach the Company with their dividend warrants for revalidation.
9. Members are informed that the script of the Company has been activated both in CDSL and NSDL and may be dematerialised under the ISIN INE 412D01013.
10. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID number for easy identification of attendance at the meeting.
11. Members are requested to send the transfer documents/correspondence, if any, directly to the Registered Office of the Company at the following address:-

APOLLO FINVEST (INDIA) LIMITED
"JEWEL ARCADE" Plot No. 123, 1st Floor,
Waterfield Road, Bandra (West),
MUMBAI - 400 050.


EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956:
Item No. 4:

The Company is authorised to buy-back its shares by Article 40(g) of the Articles of Association of the Company subject to Special Resolution being passed by the shareholders to this effect. In view of recent changes in the enactment, the Company can also buy-back its own shares upto a limit of 10% of the paid-up capital and free reserves of the Company provided such buy-back is authorised by a resolution passed by the Board of Directors in its meeting. The new insertion in Article 40(g) is required in line with the recent changes in the Companies Act, 1956. Sections 31 of the Companies Act 1956 provides that a Company may by a Special Resolution alter its Articles of Association.

The Board accordingly considers it necessary to seek approval of the Members by way of Special Resolution and recommends the resolution for their approval.

None of the Directors of the Company are in any way concerned or interested in passing of the said Special Resolution.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 14th August, 2002

UMANATH R. AGARWAL
EXECUTIVE DIRECTOR

Registered Office:

"JEWEL ARCADE"
Plot No. 123, 1st Floor,
Waterfield Road,
Bandra (West),
Mumbai - 400 050.

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DIRECTORS' REPORT

Your Directors have pleasure in presenting their Sixteenth Annual Report together with the Audited Annual Accounts of the Company for the year ended 31st March 2002.

FINANCIAL HIGHLIGHTS:

The details of financial results are as under:

	(Rs. in Lacs)	
	31st March, 2002	31st March, 2001
Gross Profit	115.62	134.41
Less:		
Loss on sale of Investments	4.81	52.20
Depreciation	85.54	98.93
Diminution in Value of Investments	53.27	13.10
Provision for NPA	(1.57)	(5.58)
Loss before Tax	(26.43)	(24.24)
Less : Provision for Taxation	-	11.15
Income Tax paid	-	2.33
Balance carried to Balance Sheet	<u>(26.43)</u>	<u>(37.72)</u>

REVIEW OF OPERATIONS:

Company's activities were adversely impacted due to extremely adverse conditions that prevailed in the capital market during the year.

During the year under review, the Company has earned Gross Profit of Rs. 115.62 Lacs as against Rs. 134.41 Lacs in the previous year. Lease Income of the Company during the year was Rs. 86.12 Lacs as against Rs. 121.92 Lacs during the previous year. The Company earned tax-free dividend income of Rs. 46.37 Lacs during the year as against Rs. 32.04 Lacs in previous year, an increase by 44.72%.

The loss on sale of investments during the year amounted to Rs. 4.81 Lacs as against Rs. 52.20 Lacs in the previous year. The Company as a matter of prudence has made provision for diminution in value of longterm investments amounting to Rs. 53.27 Lacs (Previous year Rs. 13.10 Lacs). The aggregate provision for diminution in value of investments as on 31st March, 2002 stands at Rs. 108.82 Lacs.

Your Company continues to follow the policy decision to reduce overall exposure in the equity market and increase investment of funds in Fixed Income bearing Securities and debt funds of reputed mutual funds. During the year, investment in debt funds of reputed mutual funds increased to Rs. 548.50 Lacs from Rs. 324.26 Lacs in the previous year, an increase of 69.15%.

DIVIDEND:

In view of loss, your directors are unable to recommend any Dividend for the year ended March 31, 2002.

PRUDENTIAL NORMS OF RBI:

The Company has followed the Prudential Norms of the Reserve Bank of India as are applicable to the Company.

DEPOSITORY SERVICES:

The Company has admitted its Equity shares in the Depository systems with both National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL). Accordingly, the Equity Shares of the Company are available for dematerialisation under ISIN INE 412D01013.

The Registrar and Transfer activity for shares held in physical form continues to be carried out in-house.

DIRECTORS:

Shri Narayan T. Rathi retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-election.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 March 31, 2002 and of the Profit or Loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the Annual Accounts on a going concern basis.

AUDITORS:

M/s. Shankarlal Jain & Associates, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT:

The notes on the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

**FIXED DEPOSITS:**

The Company has not accepted any deposits from the public within the meaning of Non-Banking Financial Companies (Reserve Bank) Directions, 1997 as amended from time to time.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 relating to the conservation of energy and technology absorption is not being given, since the Company is not engaged in any manufacturing activity.

Information regarding foreign exchange earnings and outgo is reported to be NIL for the year under review.

PARTICULARS OF EMPLOYEES:

There are no employees of the specified categories under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

CORPORATE GOVERNANCE:

The Board has already taken initiative to comply with the requirements of Clause 49 of the Listing Agreement i.e. Corporate Governance although the date of implementation in case of your Company is March 31, 2003.

DISCLOSURE UNDER STOCK EXCHANGE LISTING AGREEMENT:

In accordance with amended Listing Agreement with Stock Exchanges, it is hereby confirmed that the Company's Shares are listed at the Stock Exchanges at Mumbai, Jaipur, and Ahmedabad.

ACKNOWLEDGMENTS:

The Board wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers. The Directors are also thankful to the employees for the devoted and sincere services rendered by them.

For and on behalf of Board of Directors

ANJU R. INNANI
MANAGING DIRECTOR

UMANATH R. AGARWAL
EXECUTIVE DIRECTOR

Place: Mumbai

Date: 14th August, 2002



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AUDITORS' REPORT

TO,
THE MEMBERS,
APOLLO FINVEST (INDIA) LIMITED

We have audited the attached Balance Sheet of **APOLLO FINVEST (INDIA) LIMITED** as at 31st March 2002 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, 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 the books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet and the Profit and Loss Account complies with the mandatory Accounting Standards referred in sub section (3 C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations and explanations received from the Directors as on 31st March, 2002, we report that none of directors is disqualified as on 31st March, 2002 from being appointed as a Director in term of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

3. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account subject to Note No.1(H), regarding liability of gratuity & leave encashment not provided on actuarial valuation basis read with other notes to Schedule "Q" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002 and

(b) In the case of the Profit & Loss Account, of the 'Loss' for the year ended on that date.

For **Shankarlal Jain & Associates,**
Chartered Accountants

Mumbai: 14th August, 2002

SATISH JAIN
Partner

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE IN TERMS OF PARA 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF APOLLO FINVEST (INDIA) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2002.

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We have been informed that physical verification of the fixed assets other than Leased Assets was conducted by the management and no discrepancies were observed between book records and physical verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of assets.
- 2) None of the fixed assets have been revalued during the year.
- 3) Physical verification has been conducted by the management at reasonable intervals in respect of stock of securities.
- 4) The procedures followed by the management for physical verification of stock are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- 5) We are informed that no discrepancies have been noticed between physical stocks and the book records.
- 6) On the basis of our examination of stock records, we are of the opinion that the valuation of stock is fair and proper and in accordance with normally accepted accounting principles. The basis of valuation of stock is the same as in the previous year.



- 7) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from the companies under the same management as defined in Section 370(1B) of the Companies Act, 1956.
- 8) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register(s) maintained under Section 301 of the Companies Act, 1956.
- 9) a) The Company has given loans and advances in the nature of loans. The principal amounts and interest wherever applicable, are being recovered as stipulated. The necessary provision has been made as required by the prudential norms of RBI prescribed for the provision of non-performing assets.
- b) In respect of lease / hire purchase transactions entered into by the Company in ordinary course of business, where installments are overdue, according to the information and explanation given to us, we are of the opinion that reasonable steps have been taken by the company for their recovery. The necessary provision has been made as required by the prudential norms of RBI prescribed for the provision of non-performing assets.
- 10) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase and sale of Stocks, Investments, Equipments and other assets.
- 11) There were no transactions for purchase and sale of services made in pursuance of contracts or agreements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party.
- 12) The Company has not accepted any fixed deposit from public under provisions of Section 58A of the Companies Act, 1956 and accordingly the provisions of Section 58A of the Companies Act, 1956 and rules made thereunder are not applicable.
- 13) In our opinion, the Company has an Internal Audit system. However it needs to be strengthened to commensurate with its size and nature of its business.
- 14) According to the information and explanations given to us, maintenance of cost records have not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 with regard to the nature of the business of the Company.
- 15) The provisions of the Employees' Provident Fund and Employees State Insurance Act are presently not applicable to the Company.
- 16) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income-tax, Wealth-tax and Sales-tax outstanding as at 31st March, 2002 for a period of more than six months from the date they became payable.
- 17) According to the information and explanations given to us and the records examined by us, no personal expenses other than those payable under contractual obligations or in accordance with generally accepted business practices, have been charged to revenue account.
- 18) The Company is not a Sick Industrial Company within the meaning of clause (o) of sub-section (i) of Section (3) of The Sick Industrial Companies (Special Provision) Act, 1985.
- 19) In relation to the service activities of the Company, there exists reasonable internal control system commensurate with the size of Company and nature of its business.
- 20) In respect of trading activities, which consists of shares and debentures, question of damaged goods does not arise.
- 21) The Company has not given any loans and advances on the basis of security by way of pledge of shares.
- 22) We are informed that the provisions of any special statute applicable to Chit Funds, Nidhi or Mutual Benefit Society do not apply to the Company.
- 23) The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other securities and that timely entries have been made therein. All shares and debentures have been held by the Company in its own name except for certain shares/debentures, which are lodged for transfer.

For Shankarlal Jain & Associates,
Chartered Accountants

SATISH JAIN
Partner

Mumbai: 14th August, 2002