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# **APOLLO FINVEST (INDIA) LIMITED**

**ANNUAL REPORT**  
**2002 - 2003**

**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
SHRI PRAVIN H. JAIN	DIRECTOR

**AUDITORS:**

**SHANKARLAL JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**BANKERS:**

STANDARD CHARTERED BANK  
GLOBAL TRUST BANK LIMITED  
SANGLI BANK LIMITED

**REGISTERED OFFICE:**

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

**SHARE DEPARTMENT:**

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

**REGISTRARS:**

(For Electronics Connectivity only)

**INTIME SPECTRUM REGISTRY LTD**  
C-13, PANNALAL SILK MILLS COMPOUND,  
L.B.S. MARG, BHANDUP (WEST),  
MUMBAI - 400 078.  
TEL. : 2592 3837.

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## Annual Report 2002-2003

**NOTICE**

Notice is hereby given that the Seventeenth 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 Monday, **September 29, 2003 at 11.30 A.M** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2003 and the 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 Director in place of Shri Dinesh R. Innani who retires by rotation and being eligible, offers himself for reappointment.
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 an Ordinary Resolution:

"RESOLVED THAT Shri Pravin H. Jain who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and article 86 of Article of Association of the company and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of Company, liable to retire by rotation."

For and on behalf of the Board of Directors

**UMANATH R. AGARWAL**  
**EXECUTIVE DIRECTOR**

Place: Mumbai

Date: 16<sup>th</sup> August 2003

**Registered Office:**

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

**NOTES:**

- i) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxy form should be lodged with the company at its Registered Office at least 48 hours before the commencement of the Meeting.

- ii) **The Register of Members' and Share Transfer Books of the Company will remain closed from Tuesday, September 23, 2003 to Friday, September 26 2003 [both days inclusive.]**
- iii) 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.
- iv) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, for Item No. 4 of the Notice is annexed hereto.
- v) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March 1996 which has remained unclaimed for a period of 7 years will be transferred by company to the **Investor Education and Protection Fund** established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfers to the said fund is given below :-

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31-03-1996	24-9-1996	23-09-2003	23-10-2003

- vi) Pursuant to the provisions of newly inserted Sections 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.
- vii) 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**.
- viii) 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.
- ix) Members are requested to send the transfer documents/correspondence, if any, directly to the Registered Office of the Company.



# EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956:

## Item No. 4:

The Board of Directors of your Company has appointed Shri Pravin H. Jain as an Additional Director w.e.f. December 28, 2002, and pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 86 of Article of Association, Shri Pravin H. Jain will hold office until the date of forthcoming Annual General meeting. Your Company has received a notice in writing from member in terms of Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri Pravin H. Jain as Director of your Company.

Keeping in view the experience and qualification of Shri Pravin H. Jain, Your Directors consider it to be in the interest of the company if he is appointed as a Director, retiring by rotation as per the provisions of the Companies Act, 1956

Shri Pravin H. Jain is concerned and interested in the Resolution concerning his appointment.

None of the other Directors of your Company are concerned or interested in the said Resolution.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 16<sup>th</sup> August 2003**

**UMANATH R. AGARWAL**  
**EXECUTIVE DIRECTOR**

## Registered Office:

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

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## Annual Report 2002-2003

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Seventeenth Annual Report together with the Audited Annual Accounts of the Company for the year ended 31st March 2003.

**FINANCIAL HIGHLIGHTS:**

The details of financial results are as under:

	(Rs. in Lacs)	
	31st March, 2003	31st March, 2002
Gross Profit	82.03	115.62
<b>Less:</b>		
Loss on sale of Investments	0.54	4.81
Depreciation	71.78	85.54
Diminution in Value of Investments	-	53.27
Provision for NPA	9.89	(1.57)
Balance carried to Balance Sheet	<u>(0.20)</u>	<u>(26.43)</u>

**REVIEW OF OPERATIONS:**

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

During the year under review, the Company has earned Gross Profit of Rs. 82.03 Lacs as against Rs. 115.62 Lacs in the previous year. Lease Income of the Company during the year was Rs. 74.40 Lacs as against Rs. 86.12 Lacs during the previous year.

The loss on sale of investments during the year amounted to Rs. 0.54 Lacs as against Rs. 4.81 Lacs in the previous year. The total loss during the year reduced to Rs. 0.20 lacs as against Rs. 26.43 lacs during the previous year.

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.

**DIVIDEND:**

In view of loss, your directors are unable to recommend any Dividend for the year ended March 31, 2003.

**PRUDENTIAL NORMS OF RBI:**

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

**DIRECTORS:**

Shri Dinesh R. Innani, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

In accordance with the provisions of the Companies Act, 1956 and the Article of Association of the company Shri Pravin H. Jain has been appointed as an additional Director of the company on December 28, 2002. In accordance with the provisions of Section 260 of the Companies Act, 1956 read with Article 86 of Articles of Association of the company, he would hold office till the date of ensuring Annual General Meeting of the company. In the meantime, the company has received the notice pursuant to section 57 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Shri Pravin H. Jain as a Director of the company.

**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 as at March 31, 2003 and of the Loss of the Company for the year ended on that date.
- 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.

**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:**

Pursuant to Clause 49 of the Listing Agreement, a separate report on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to this Report.

#### **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.

#### **AUDITORS OBSERVATION**

##### **Note No. 1(H) to Schedule Q:**

Taking into consideration the going concern concept, the Board of Directors of the Company deems fit to make provision for gratuity and other retirement benefits on estimated basis. But if there is any shortfall at the time of payment of gratuity and other retirement benefits, the same will be accounted for on cash basis.

#### **ACKNOWLEDGMENTS:**

The Board wishes to place on record its sincere appreciation for 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 : 16<sup>th</sup> August 2003**

## Annexure to Directors' Report Report on Corporate Governance

### 1. COMPANY'S PHILOSOPHY

Your Company believes in good Corporate Governance. Corporate Governance is essential for Investors' Protection. The company believes in fairness transparency and will strive to increase network of company and shareholders through good corporate governance.

### 2. BOARD OF DIRECTORS

The Board of Directors consists of five members comprising of a Managing Director, an Executive Director and three non-Executive Directors.

### 3. BOARD MEETING/PROCEDURE

During the year six Board Meetings were held on 29<sup>th</sup> June 2002, 14<sup>th</sup> August 2002, 31<sup>st</sup> August 2002, 30<sup>th</sup> September 2002, 28<sup>th</sup> December 2002 and 25<sup>th</sup> March 2003 respectively.

The attendance of directors at the Board Meetings during the year and at the last Annual General Meeting is as follows:-

Name of the Director	Category	Attendance particulars	
		Board Meeting	Last AGM
Anju R. Innani	MD	6	Yes
Umanath R. Agarwal	ED	6	Yes
Narayan T. Rathi	NED	3	No
Dinesh R. Innani	NED	2	No
Pravin H. Jain*	NED	1	-

MD-Managing Director, ED-Executive Director, NED-Non-Executive Director,

\*Appointed as an additional Director w.e.f. 28<sup>th</sup> December, 2002.

None of the Directors of the Company was a member of more than 10 committees of Board nor was a chairman of more than five committees across all companies in which he was a Director.

### 4. AUDIT COMMITTEE

The Audit Committee consists of Shri Narayan T. Rathi - Independent and Non-Executive Director, Shri Dinesh R. Innani Non-Independent and Non-Executive Director and Shri Pravin H. Jain Independent and Non-Executive Director was formed on 28<sup>th</sup> December, 2002.

The terms of reference of the Audit Committee include reviewing the companies Financial Reporting Systems, recommending the appointment of external auditors, fixation of the audit fees, adequacy of internal control system, internal audit function, report on compliance with statutory requirements.





During the year ended 31<sup>st</sup> March 2003, two Audit Committee Meeting were held on 28th December, 2002. and 31<sup>st</sup> March, 2003 respectively.

The attendance at the Audit Committee Meetings is as under:

Name of Director	Category	Attendance
Shri Narayan T. Rath	Chairman, Non-Executive	2
Shri Dinesh R. Innani	Non Executive	2
Shri Pravin H. Jain	Non Executive	2

#### 5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The committee is consists of Shri Narayan T. Rath, Shri Umanath R. Agarwal and Shri Dinesh R. Innani

The committee monitors transfers / transmissions / splitting / consolidations of shares, complaints/queries from shareholders / investors and redressal of complaints / grievances.

The Board has designated Mr. Lalsing B. Kshirsagar as the Compliance Officer.

During the year, 4 complaint letters were received and the same have been satisfactorily resolved. There were no pending complaint letters from the shareholders as on 31<sup>st</sup> March, 2003.

#### 6. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings were held is given below:

Financial Year	Date	Location	Time
1999-2000	26/09/2000	Borivli (W), Mumbai: 400 092	11.00 a.m.
2000-2001	25/09/2001	Borivli (W), Mumbai: 400 092	12.00 noon
2001-2002	27/09/2002	Borivli (W), Mumbai: 400 092	1.00 p.m.

2001-02 : One Special Resolution was passed.

2000-01 : Three Special Resolutions were passed.

1999-00 : No Special Resolutions was passed.

No special resolution was put through postal ballot at the last AGM nor is being proposed for this year.

#### 7. DISCLOSURES

- During the year, there were no transactions of material nature with the Promoters, Directors or their management or their relatives etc. that have potential conflict with the interest of the company at large.
- During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the Capital market.

#### 8. MEANS OF COMMUNICATION

The quarterly and half-yearly unaudited financial results were published in Free Press Journal and Navshakti.

#### 9. GENERAL SHAREHOLDERS INFORMATION

##### i) ANNUAL GENERAL MEETING

Date & Time : 29<sup>th</sup> September 2003 at 11.30 a.m.  
Venue : No.1, Party Hall, Sumer Nagar,  
S.V. Road, Borivli (West),  
Mumbai 400 092

##### ii) LISTING ON STOCK EXCHANGES

The Company's Shares are listed with the following Stock Exchanges:-

The Mumbai Stock Exchange - Phiroze Jeejeebhoy  
Towers, Dalal Street,  
Mumbai 400 023.

The Ahmedabad Stock Exchange - Kamdhenu  
Complex  
Opp. Sahajanand  
College Panjara  
Pole, Ahmedabad  
380 015

The Jaipur Stock Exchange - Stock Exchange  
Building, Jawaharlal  
Nehru Marg, Malviya  
Nagar, Jaipur  
-302017

Stock Code: 512437 (BSE),  
Demat ISIN Nos: INE412D01013



## Annual Report 2002-2003

## iii) MARKET PRICE DATA

The monthly high and low quotations of shares traded on Bombay Stock Exchange is as follows:

MONTH	High (Rs.)	Low (Rs.)
April, 2002	2.70	2.15
May, 2002	3.80	3.00
June, 2002	5.60	2.45
July, 2002	6.90	2.05
August, 2002	4.00	3.20
September, 2002	3.85	3.20
October, 2002	3.95	3.10
November, 2002	3.90	3.20
December, 2002	3.80	2.70
January, 2003	3.25	2.10
February, 2003	2.50	1.70
March, 2003	2.85	2.00

## iv) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2003

No. of Shares	SHAREHOLDERS		SHAREHOLDING	
	Nos.	%	Nos.	%
Upto 5000	8,186	94.20	10,17,057	20.65
5001-10000	285	3.28	2,34,725	4.77
10001-20000	112	1.29	1,60,973	3.27
20001-30000	36	0.41	90,950	1.85
30001-40000	10	0.12	39,020	0.79
40001-50000	22	0.25	1,07,023	2.17
50001 & above	39	0.45	32,75,152	66.50
<b>TOTAL</b>	<b>8,690</b>	<b>100.00</b>	<b>49,24,900</b>	<b>100.00</b>

## v) SHAREHOLDING PATTERN AS ON 31.03.2003

Shareholder	No. of shares	% age of Capital
Foreign Investor:		
Non-resident individuals	145300	2.95
FII's	-	-
<b>Total Foreign Holdings</b>	<b>145300</b>	<b>2.95</b>
Indian Institutions		
Banks	20700	0.42
Mutual Funds	700	0.01
<b>Total Indian Institutions Holdings</b>	<b>21400</b>	<b>0.43</b>
Indian Bodies Corporate		
Domestic Companies	67143	1.36
Other Non-nationalized Banks	-	-
<b>Total Indian Bodies Corporate Holdings</b>	<b>67143</b>	<b>1.36</b>
Directors & Relatives	2827942	57.42
Companies Associated with Directors	-	-
Other Indian Investors	1863115	37.84
<b>Total</b>	<b>4924900</b>	<b>100.00</b>

## vi) DEMATERIALISATION OF SHARES:

432018 Equity shares held by 828 shareholders comprising 8.77% of the paid up Share Capital have been dematerialized as on 31<sup>st</sup> March, 2003.