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APOLLO FINVEST (INDIA) LIMITED

**ANNUAL REPORT
2003 - 2004**

Annual Report 2003-2004

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of **APOLLO FINVEST (INDIA) LIMITED** will be held on **Friday, 17th December 2004** at No.1, Party Hall, Sumer Nagar, S. V. Road, Borivali (West), Mumbai - 400 092 at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and Profit and Loss Account for the year ended as on that date alongwith the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Narayan T. Rath, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint M/s. Shankarlal Jain & Associates, Chartered Accountant, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting 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 the provisions of Section 61 and other applicable provisions of the Companies Act, 1956 and Clause 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, as may be agreed to by the Board of Directors of the Company ('the Board' which term shall be deemed to include any Committee thereof), consent of the Company be and is hereby accorded to the Board to delist the Equity Shares from the following Stock Exchanges viz, The Stock Exchange, Ahmedabad and Jaipur Stock Exchange Limited."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares, as it may, in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committees/Directors or any of the Officers of the Company to do all such acts, deeds or things to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 31 and all other provisions, if any, of the Companies Act, 1956, the

existing Article 12(a) of the Articles of Association of the Company be substituted with new Article 12(a) as under:

12(a) Notwithstanding anything contained in these articles, in accordance with the provisions of Sections 77A, 77AA and 77B of the Act or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard by the relevant authorities, the Board of Directors may, if and when deem fit, buy back such of the Company's own shares, stocks or securities, whether or not they are redeemable, as it may decide, subject to such limits, upon such terms and conditions, and subject to such approval, as are specified in this regard..

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution: "RESOLVED THAT in accordance with the provisions contained in Articles of Association of the Company and Section 77A, 77B and all other applicable provisions, if any, of the Companies Act 1956 ("the Act") and the provisions of Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ("Buyback Regulations") (including any statutory modification(s) or re-enactment of the Act or Buy-back Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to purchase its own equity shares not exceeding 11,50,000 fully paid up of Rs.10/- each for an aggregate amount not exceeding Rs.1,15,00,000, at a price of Rs.10/- per share (hereinafter referred to as "Buyback").

"RESOLVED FURTHER THAT the Company may implement the Buyback in one or more tranche / tranches, from out of its free reserves and/or securities premium account and that the Buyback may be made on a proportionate basis through the tender offer as may be prescribed by the Act and the Buyback Regulations and in such manner as may be prescribed by the Act and the Buyback Regulations, and on such terms and conditions as the Board in its absolute discretion may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the terms of the Buyback, the actual amount to be utilised towards the buyback within the aggregate amount of Rs. 1,15,00,000 /-, the time frame for such buyback within the statutory validity period of this resolution, and to complete the modalities for the closure of the Buyback".

"RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligations on the part of the Company or the Board to buyback, any shares, and/or impair any power of the Company or the Board to terminate any process in relation to buyback, if so permissible by them"

"RESOLVED FURTHER THAT the buyback of shares from Non

Resident Shareholders, shareholders of foreign nationality etc. shall be subject to such approvals as required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary expedient usual or proper including the appointment of Merchant Bankers; Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representative, incidental to the implementation of the scheme of Buyback as also to prefer all applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to take all necessary actions for preparation and issue of public announcement and filing of public announcement with SEBI/Stock Exchange(s), filing of declaration of solvency certificate and filing of certificate for extinguishment and physical destruction of share certificates, for all other documents required to be filed in connection with the Buyback and to settle all such questions or difficulties whatsoever which may arise in the Buyback and take all such steps and decisions in this regard."

By order of the Board of Directors

ANJU R. INNANI
MANAGING DIRECTOR

Place: Mumbai
Date: 21st September, 2004

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 AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty-eight) hours before the time fixed for holding the meeting.
3. In accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 as amended, the resolution proposed vide Item No. 6 in the Notice is required to be passed through postal ballot only. The Postal Ballot Forms are dispatched along with this Notice to all the shareholders. The Shareholders are requested to return the Ballot Form duly completed in the enclosed self-addressed (postage pre-paid) envelope, after indicating their assent/dissent to the Resolution proposed vide Item No. 6 in the Notice, so as to reach the Scrutinizer on or before Saturday, 11th December 2004. The results shall be declared at the Annual General Meeting.
4. The Register of Members and Share Transfer Books will remain closed from Tuesday, 14th December, 2004 to Thursday, 16th December 2004 (both days inclusive).
5. Members are requested to notify change of address, if any, to the Company's Registrar & Transfer Agent, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg,

Bhandup (West), Mumbai- 400 078 quoting their Folio numbers, or to their Depository Participants (DPs) if their shareholding is in Demat Form.

6. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to address their queries to the Registered Office of the Company in writing at least seven days in advance before the date of the Meeting, to enable the Company to keep the necessary information ready.
7. Members are requested to bring their copy of Annual Report to the Meeting.
8. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
9. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed herewith.

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

Item No. 4:

As the members are aware that the shares of the Company are presently listed on The Stock Exchange, Mumbai, The Stock exchange, Ahmedabad and Jaipur Stock Exchange Limited.

The bulk of the trading of the Company's Equity Shares takes place at the Stock Exchange, Mumbai. It has been observed that the trading in Equity Shares in past few years on the above 2 (Two) Stock Exchanges except the Stock Exchange, Mumbai are rare and negligible and are disproportionate to the listing fees payable by the Company to the Stock Exchange, Ahmedabad and Jaipur Stock Exchange Limited. As a part of the cost reduction measures, it is suggested to delist voluntarily from Stock Exchange, Ahmedabad and Jaipur Stock Exchange Limited. No particular benefit is available to the shareholders by continuing the listing of the Equity Shares on the above 2 (Two) Stock Exchanges. The proposed delisting of the Company's Equity Shares on the above two Stock Exchanges will not be prejudicial to, or affect the interest of the shareholders.

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Delisting of Securities) Guidelines 2003. As per the Guidelines, a Company whose securities are listed for a minimum period of three years on any stock exchange may voluntary delist its securities from that exchange. The Guideline further mentions that a Company proposing to delist its securities shall provide an "exit opportunity" to the shareholders. However, such an exit opportunity need not be given in cases where the securities continue to be listed on stock exchange having nationwide terminals.

Since, the Company's Equity Shares shall continue to be listed on the Stock Exchange, Mumbai (BSE), which has nationwide terminals, the Company, need not provide an exit opportunity. The proposed delisting would be subject to the guidelines for voluntary delisting as laid down in the SEBI (Delisting of Securities) Guidelines, 2003.

The directors recommend this resolution for approval of shareholders.

None of the Directors of the company is concerned or interested in this resolution.

Item No.5

Your Directors are of the view that the exercise of buy-back shall be

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conducted by the Company with a view to provide an exit opportunity to the existing shareholders, further enhance the value of shares and to enable better reflection of the assets employed in the business. However, in order to implement the same, necessary enabling provisions are required to be present in the Articles of Association. In view of the same, the existing Article 12(a) is proposed to be substituted by a new Article 12(a) as set out in the resolution.

Accordingly, the Board recommends the Resolution to the shareholders for their approval.

A draft of the duly amended Articles of Association is available at the Registered office of the Company for inspection of members during business hours till the conclusion of the Annual General Meeting.

None of the Directors shall be deemed to be interested or concerned in the resolution.

Item No.6

Disclosures required to be given under Section 77A(3) of the Companies Act, 1956, ("the Act") and Regulations 5(1) and 7 read with Schedule I attached to Securities and Exchange Board of India (Buyback of Securities) Regulations 1998 ("Buyback Regulations")

1. Date of the Board meeting at which the proposal for buy-back was approved by the Board of Directors of the Company
The Board of Directors at their Meeting held on 21st September 2004 have approved the proposed buy-back of shares.
2. Necessity for buy-back
The main objective of buy-back is to utilise a portion of the surplus cash to buy-back equity shares. It has been noticed that the shares of the Company are infrequently traded on the Stock Exchange, Mumbai. This offer of buy-back, when completed, will enable an exit opportunity to the existing shareholders who would so desire and in a manner that does not adversely impact the shareholders continuing with the Company. The Buyback programme is expected to lead to a reduction in the number of equity shares outstanding, which can lead to improvement in earnings per share and an overall enhancement of value for shareholders continuing with the Company.
3. Method to be adopted for the buy-back
Buy-back shall be effected from the existing shareholders on a proportionate basis through tender offer.
4. Maximum amount required under the buy-back and the sources of funds from which the buy-back would be financed.
Rs. 1,15,00,000/- approx. It is proposed to finance the buy-back from the accumulated free reserves.
5. Basis of arriving at the buy-back price.
While fixing the price of Rs.10/- per share for buy-back, the Board of Directors have taken into account various factors such as the book value per share, current and future earning per share, return on equity, net worth and other relevant factors.
6. Number of shares that the company proposes to buy-back.
The number of shares proposed to be bought-back is 11,50,000 fully paid up equity shares of Rs.10/- each.
7. (a) The aggregate share holding of the promoters and of the directors of the promoters, where the promoter is the company and of persons who are in control of the Company as on the date of the notice convening the general meeting.

2893329 Equity shares representing 58.75% of the paid up equity share capital is held by the promoter group.

- (b) Aggregate number of equity shares purchased or sold by persons mentioned in (a) above during the period of six months preceding the date of the board meeting at which the buy-back was approved till date of notice convening the general meeting.

The Promoters have not purchased or sold any shares in the Company during the period of six months preceding the date of the Board Meeting at which the buy-back has been approved.

- (c) The maximum and minimum price at which purchases and sales referred to in (b) above were made along with the relevant dates.

As the Promoters have not purchased/sold any shares in the Company during the period of six months preceding the date of the Board Meeting at which the buy-back has been approved, the same is not applicable.

8. The promoters and persons in control propose to tender equity shares under the buy-back to such an extent that their shareholding post buy-back remains equal to their present shareholding i.e. 58.75% of the post buy-back equity share capital of the company
9. A confirmation that there are no defaults subsisting in repayment of debentures or preference shares or repayment of term loans to any financial institutions or banks.
There have been no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
10. A confirmation that the board of directors has made a full enquiry into the affairs and prospects of the Company and that they have formed the opinion to the effect that the Company, after buy-back will continue to be able to meet its liabilities and will not be rendered insolvent.
The Board of Directors has made a full enquiry into the affairs and prospects of the Company and it has formed the opinion -
 - (a) that immediately following the date on which the general meeting is convened, there will be no grounds on which the Company could be found unable to pay its debts;
 - (b) as regards its prospects for the year immediately following that date, that having regard to their intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in their view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
 - (c) in forming their opinion for the above purposes, the directors have taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).
11. A Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:



The Company has obtained a report from M/s. Shankarlal Jain & Associates., Chartered Accountants, auditors of the Company addressed to the Board of Directors to the effect that :

- (i) they have enquired into the Company's state of affairs;
 - (ii) the amount of the permissible capital payment for the securities in question is, in their view, properly determined; and
 - (iii) the Board of Directors have formed the opinion as specified above on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of completion of buy-back offer.
12. The maximum price at which the buy-back of shares shall be made;
It is proposed the price at which buy-back shall be made shall not exceed Rs. 10/- per share.
13. As per the provisions of the Act, the special resolution passed by the shareholders approving the Buyback will be valid for a maximum period of twelve months from the date of passing of the said special resolution (or such extended period as may be permitted under the Act or the Regulations or by the appropriate authorities). The exact time table for the Buyback shall be decided by the Board within the above time limits.
14. As per the provisions of Section 77 A (8) of the Act, the Company will not be allowed to issue fresh equity shares for a period of 6 months after the completion of the Buyback. This restriction would not apply to bonus shares or shares issued towards discharge of subsisting obligations such as arising from convertible preference shares, debentures, employee stock options, etc. issued before the buyback. Currently the Company has no subsisting obligations arising from convertible preference shares, debentures, employee stock option.

15. As per provisions of the Act, the shares bought back by the Company will compulsorily be cancelled and will not be held for re-issuance.

The Auditors' Report to the Board of Directors of the Company referred to above is available for inspection of shareholders of the Company till the conclusion of the Annual General Meeting.

In accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 as amended, the resolution proposed vide Item No. 6 in the Notice is required to be passed through postal ballot only. The Postal Ballot Forms are dispatched along with this Notice to all the shareholders. The Shareholders are requested to return the Ballot Form duly completed in the enclosed self-addressed (postage pre-paid) envelope, after indicating their assent/dissent to the Resolution proposed vide Item No. 6 in the Notice, so as to reach the Scrutinizer on or before Saturday, 11th December 2004. The results shall be declared at the Annual General Meeting.

None of the Directors is in any way concerned or interested in the resolution, save to the extent of their shareholding and that like any other shareholder in the same position, their proportion in the post-buyback equity capital will stand enhanced as a result of the buy-back.

By order of the Board of Directors

Place: Mumbai
Date: 21st September, 2004

ANJU R. INNANI
MANAGING DIRECTOR

REGISTERED OFFICE:
"Jewel Arcade", Plot No. 123,
TPS IV, Waterfield Road,
Bandra (West), Mumbai- 400 050.

BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:

Particulars	Mr. Narayan T. Rathi
Age	49
Date of Appointment	16 th July, 1997
Qualifications	M. Com, D.C.L.L, FCS
Expertise in specific functional areas	Advising on Company Law & other related matters.
Directorship of other Companies	1. Rathi Research & Securities Services Private Limited 2. Essen Consultants Private Limited 3. Madhumilan Credit Capital Private Limited
Chairman/Member of the Committees of the board of the Companies on which he is a Director	Nil

**BOARD OF DIRECTORS:**

SMT ANJU R. INNANI
 SHRI UMANATH R. AGARWAL
 SHRI NARAYAN T. RATHI
 SHRI DINESH R. INNANI
 SHRI PRAVIN H. JAIN
 SHRI ANIL M. RAIKA

MANAGING DIRECTOR
 EXECUTIVE DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR (Resigned w.e.f. 29th July, 04)
 DIRECTOR (Appointed w.e.f. 29th July, 04)

AUDITORS:

SHANKARLAL JAIN & ASSOCIATES
 CHARTERED ACCOUNTANTS

BANKERS:

STANDARD CHARTERED BANK
 GLOBAL TRUST BANK LIMITED
 SANGLI BANK LIMITED

REGISTERED OFFICE:

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

REGISTRAR AND SHARE TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD
 C-13, PANNALAL SILK MILLS COMPOUND,
 L.B.S. MARG, BHANDUP (WEST),
 MUMBAI - 400 078.
 TEL. : 022 - 55555454
 FAX : 022 - 55555353

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DIRECTORS' REPORT**TO,
THE MEMBERS**

Your Directors have pleasure in presenting their Eighteenth Annual Report on the operations of the company, together with the audited accounts for the year ended March 31, 2004.

FINANCIAL RESULTS :

(Rs. in Lacs)

Particulars	Year Ended 31-03-2004	Year Ended 31.03-2003
Total Income	277.12	153.84
Profit before Depreciation & Tax	20.81	71.59
Less: Depreciation	52.93	71.78
Profit/(Loss) before Tax	(32.12)	(00.19)
Less: Provision for Tax	0.00	0.00
Profit/(Loss) after Tax	(32.12)	(00.19)
Income Tax for earlier year	(9.27)	(0.00)
Balance carried to Balance Sheet	(41.39)	(00.19)

REVIEW OF OPERATIONS:

The total income for the year under review, amounted to Rs. 277.12 Lacs compared to Rs. 153.84 Lacs in the previous year, which was mainly on account of Sale of Shares, Lease Rentals, Dividends, Profit on Sale of Investments, etc. After deducting total expenditure including depreciation of Rs. 309.24 Lacs, the Company has incurred Net Loss of Rs. 32.12 Lacs. After adjusting income tax for earlier year, Rs. 9.27 Lacs, balance loss of Rs. 41.39 Lacs has been carried to the Balance Sheet. The loss during the year is higher on account of higher provision for diminution in value of investments amounting to Rs. 83.86 Lacs.

DIVIDEND:

Your Directors regret their inability to declare dividend considering the loss incurred by the Company.

PRUDENTIAL NORMS OF RBI:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- In the preparation of the annual accounts the applicable Accounting Standards have been followed except AS-15 regarding liability for gratuity and leave encashment are not provided on the basis of actuarial valuation.
- Your 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, 2004 and of the Loss of the company for the year ended on that date.
- Your 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; and
- Your Directors have prepared the attached Statement of Accounts for the year ended March 31, 2004 on a going concern basis.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Narayan T. Rathi, Director of the Company, shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board of Directors recommends his reappointment.

FIXED DEPOSITS:

Your Company has not accepted any deposits from public which comes within the meaning of Section 58A, 58AA or Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS:

M/s. Shankarlal Jain & Associates, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under



Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office.

AUDITORS' COMMENTS:

The observations made by the Auditors in their Report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A) Conservation of Energy and Technology Absorption:

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.

B) Foreign Exchange Earnings And Outgo:

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

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

Statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provisions of the said section.

ACKNOWLEDGEMENTS:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from all Organizations connected with its business during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of Executives and Staff of the Company. Lastly your Directors are deeply grateful for the confidence and faith shown by the shareholders of the Company in them

For and on behalf of the Board

Place : Mumbai

Date : 16th July, 2004

ANJU R. INNANI
Managing Director

UMANATH R. AGARWAL
Executive Director

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Annexure to Directors' Report CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Apollo Finvest (India) Limited is committed to good Corporate Governance. The Company respects the inalienable rights of its Shareholders to information on the performance of the Company. The Company provides detailed information on various issues concerning the Company's business and financial performance to the shareholders. The objective of the Company is to achieve business excellence and dedicate it to increasing the value of long-term interest of all the stakeholders.

A. Board Composition**Size and composition of the Board**

The Board of Directors of the Company presently consists of a majority of non-executive directors, having rich and varied experience. The Board comprises of Two (2) executive directors and Three (3) non-executive directors, three of them being independent. The Chairman of the Board is an Executive Director.

The constitution of the Board as on 31-3-2004 given below:

Director	Executive/ Non-Executive/ Independent#	Number of other		
		Director ships*	Committee Member-ships**	Committee Chairmanships**
Smt. Anju R. Innani	Managing Director Executive	1	Nil	Nil
Shri Umanath R. Agarwal	Executive Director, Independent	2	Nil	Nil
Shri Narayan T. Rathi	Non Executive, Independent	3	Nil	Nil
Shri Dinesh R. Innani	Non Executive	Nil	Nil	Nil
Shri Pravin H. Jain	Non Executive, Independent	Nil	Nil	Nil

Independent Director means a Director who apart from receiving Director's remuneration, does not have any material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgement of the Board, may affect independence of judgement of the Director.

* This excludes Directorship held in Private Limited Companies.

** Committee of Membership does not include Membership/ Chairmanship in Committee of Directors of Apollo Finvest (India) Limited

B. Board Meetings

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and Financial results. When necessary, additional meetings are held. The particulars of Board Meeting held during 2003-2004 as well as attendance of Directors at the Board Meetings and the last AGM are given here below:

During the year Eight Board Meetings were held on 21st April 2003, 30th June 2003, 16th August 2003, 19th September 2003, 10th November 2003, 11th October 2003, 20th January 2004, 30th January 2004.

Name of the Directors	Number of Board Meetings attended	Whether attended last AGM
Smt Anju R. Innani	8	Yes
Shri Umanath R. Agarwal	8	Yes
Shri Narayan T. Rathi	6	Yes
Shri Dinesh R. Innani	3	No
Shri Pravin H. Jain	3	No



C. Board Committees

Currently, the Board has two committees the Audit Committee and the Shareholders/Investors Grievance Committee. As on date, the Audit Committee comprises of three members all of them are Non-Executive directors. The Shareholders/Investor Grievance committee comprises of three Members. The Chairman of the said Committee is Non-Executive, Independent Director.

The Board is responsible for the constitution, co-opting and fixing the terms of service for Committee members of both the Committees.

1. Audit Committee

Terms of reference

(a) Primary objectives of the audit committee

The Primary objective of the audit committee (the "committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The committee oversees the work carried out in the financial reporting process by the management, including the independent auditor and notes the process and safeguards employed by each.

(b) Scope of the audit committee

1. Provide an open avenue of communication between the Independent Auditor and the Board of Directors ("BoD")
2. Recommending the appointment and removal of Statutory Auditors, fixation of audit fees and also to approve the payment for other services.
3. Meet thrice a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
4. Confirm and assure the independence of the External Auditor.
5. Review with Independent Auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
6. Consider and review with the Independent Auditor the adequacy of internal controls including the computerized information system controls and security.
7. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - (a) Any changes in the Accounting Policies and practices
 - (b) The going concern assumption
 - (c) Compliance with Accounting Standards
 - (d) Compliance with Stock Exchange and legal requirements concerning financial statements
 - (e) Significant adjustment arising out of audit
8. Consider and review with the management and the Independent Auditor;
 - (a) Significant findings during the year, including the status of previous audit recommendations
 - (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.

(c) Composition of the Audit Committee as on 31st March, 2004

The Board of Directors has constituted an Audit Committee of Directors to exercise powers and discharge functions as stipulated in Section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement with the Stock Exchange and other relevant statutory/regulatory provisions.

The Audit Committee of the company comprises of following directors:

1. Shri Narayan T. Rath - (Chairman) Non-Executive & Independent Director
2. Shri Dinesh R. Innani - (Member) Non- Executive
3. Shri Pravin H. Jain - (Member) Non- Executive and Independent Director.

1. Audit Committee attendance for the financial year ended 31st March, 2004

During the Financial year ended 31st March 2004, three Audit Committee meetings were held on 16th August 2003, 10th November 2003 and 30th January 2004. The table hereunder gives the attendance record of the audit committee members.

Name of the audit committee Members	No. of meetings held	No. of meetings attended
Shri Narayan T. Rath	3	3
Shri Dinesh R. Innani	3	3
Shri Pravin H. Jain	3	3