

# APOLLO FINVEST (INDIA) LIMITED



**ANNUAL REPORT**  
**2007 - 2008**

**BOARD OF DIRECTORS:**

SMT. ANJU R. INNANI  
 SHRI UMANATH R. AGARWAL  
 SHRI NARAYAN T. RATHI  
 SHRI ANIL M. RAIKA

MANAGING DIRECTOR  
 EXECUTIVE DIRECTOR  
 DIRECTOR  
 DIRECTOR

**AUDITORS:**

SHANKARLAL JAIN & ASSOCIATES  
 CHARTERED ACCOUNTANTS

**BANKERS:**

STANDARD CHARTERED BANK  
 ORIENTAL BANK OF COMMERCE  
 SANGLI BANK LIMITED

**REGISTERED OFFICE:**

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

**REGISTRAR & SHARE TRANSFER AGENTS:**

INTIME SPECTRUM REGISTRY LIMITED  
 C-13, PANNALAL SILK MILLS COMPOUND,  
 L. B. S. MARG, BHANDUP (WEST),  
 MUMBAI - 400 078.  
 TEL : 2596 3838, 2596 0320  
 FAX : 2594 6969

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# APOLLO FINVEST (INDIA) LIMITED

## NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of APOLLO FINVEST (INDIA) LIMITED will be held on Saturday, 27<sup>th</sup> September, 2008 at Golden Gate, Laram Centre, S.V. Road, Andheri (West), Mumbai – 400 058 at 11:30 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008 and Profit and Loss Account for the year ended on that date along with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anil M. Raika, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

For and on behalf of the Board

Place: Mumbai

ANJU R. INNANI

Dated: 8<sup>th</sup> August, 2008

MANAGING DIRECTOR

### REGISTERED OFFICE:

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

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

Particulars	Shri Anil M. Raika
Age	37
Date of Appointment	29 <sup>th</sup> July, 2004
Qualifications	B. Com, C.A.
Expertise in specific functional areas	Investment Advisory
Directorship of other Companies	<ol style="list-style-type: none"> <li>1. Sanja Trading Private Limited</li> <li>2. Tapasya Consultant Private Limited</li> <li>3. Jatia Finance Limited</li> <li>4. Tradelink Exim India Private Limited</li> <li>5. Alisha Realities Private Limited</li> <li>6. Oneup Trading Company Private Limited</li> </ol>
Chairman/Member of the Committees of the Board of the Companies on which he is a Director	Nil
Shareholding of the said Non-Executive Director in Apollo Finvest (India) Limited	Nil

## 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. The Register of Members and Share Transfer Books will remain closed from Monday, 22<sup>nd</sup> September 2008 to Saturday, 27<sup>th</sup> September, 2008 (both days inclusive).
4. 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.
5. Members are requested to bring their copy of Annual Report to the Meeting
6. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.

## Annual Report 2007-2008

DIRECTORS' REPORT

TO  
THE MEMBERS

Your Directors have pleasure in presenting their Twenty Second Annual Report on the operations of the Company, together with the Audited Accounts for the year ended March 31, 2008.

**FINANCIAL RESULTS**

(Rupees in Lacs)

Particulars	Year ended 31 <sup>st</sup> March 2008	Year ended 31 <sup>st</sup> March 2007
Gross Sales and other Income	293.06	222.29
Profit before Interest and Depreciation and Tax	14.72	102.26
Less: Interest	-	-
Less: Depreciation	3.65	3.90
Profit before Tax	11.07	98.36
Less: Provision for Taxation	1.26	12.80
Profit before prior period adjustments	9.80	85.56
Add: Prior Period adjustments	-	26.99
Net Profit after tax and prior period adjustments	9.80	112.55

**REVIEW OF OPERATIONS:**

For the financial year ended 31<sup>st</sup> March 2008, the sales and other income of the Company increased by 31.83% to Rs. 293.06 Lacs as compared to Rs. 222.29 Lacs in the previous year. The Company has for the year ended 31<sup>st</sup> March, 2008 earned a net profit of Rs. 9.80 Lacs (previous year Rs. 112.55 Lacs) after providing for taxation and diminution in value of investment. The substantial decrease in the net profit during the year is on account of increase in provision for diminution in value of investments at Rs. 189.30 Lacs as against Rs. 34.44 Lacs during previous year.

**DIVIDEND:**

Due to insufficient net profit during the year, your Directors have not declared any dividend for the year ended 31<sup>st</sup> March, 2008.

**PRUDENTIAL NORMS OF RBI:**

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

**BUYBACK OF EQUITY SHARES:**

The Buyback of 33,892 Equity Shares of Rs. 10/- each at a price of Rs. 15/- each (Including the premium of Rs 5/- Per share) has been completed in accordance with Special Resolution passed by the members of the Company in terms of provisions of Section 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 on 28<sup>th</sup> September 2007.

**DIRECTORS:**

Shri Anil M. Raika, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

A brief profile of Shri Anil M. Raika is annexed to the Notice of the ensuing Annual General Meeting.

None of the Directors are disqualified from being appointed as Directors as specified in terms of Section 274(1)(g) of the Companies Act, 1956.

**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 & Leave Encashment which are not provided on the basis of actuarial valuation.
- 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, 2008 and of the Profit of the Company for the year ended on that date.



# APOLLO FINVEST (INDIA) LIMITED

- 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; and
- The Directors have prepared the attached Statement of Accounts for the year ended March 31, 2008 on a going concern basis.

## CORPORATE GOVERNANCE REPORT:

Pursuant to Clause 49 of the Listing Agreement, a separate report on Corporate Governance and a certificate from the Auditors of the Company, M/s. Shankarlal Jain & Associates, Chartered Accountants, regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT:

A report on the Management Discussion & Analysis is annexed herewith.

## FIXED DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

## AUDITORS:

M/s. Shankarlal Jain & Associates, the Statutory Auditors of the Company retire 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: 8<sup>th</sup> August, 2008

ANJU R. INNANI  
Managing Director

UMANATH R. AGARWAL  
Executive Director

## Annual Report 2007-2008

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(a) Industry Structure & Developments:**

The operations of Non-Banking Financial Companies (NBFC's) are regulated and supervised by the Reserve Bank of India vide powers conferred under Chapter III-B of the Reserve Bank of India Act, 1934. The regulatory and supervisory framework for NBFC's have been continuously strengthened in order to ensure strong and healthy functioning, by limiting excessive risk taking practices and protecting the interest of deposit holders.

The NBFC Sector in India has become very mature with reduced dependence on the acceptance of public deposits as part of its overall funding. The NBFC sector is now represented by a mix of few large Companies with nationwide presence and a large number of small and medium sized Companies with regional focus.

**(b) Opportunities & Threats:**

With GDP growth forecasts of 7%-8% over the next few years, the Indian economy will continue to provide several growth opportunities. The increased thrust on the infrastructure sector including power, road, ports, telecom and other urban infrastructure projects will continue to provide excellent investment opportunities in the future. In addition, the services sector which is growing at rapid pace and contributes substantially to GDP, will provide many new opportunities for the financial services industry in India.

The NBFC Sector continues to face competitive pressures from the Banking sector and financial institutions, due to their increased penetration in the consumer financing market, with comparatively low cost of funds at their disposal. The spreads in the lending business have also narrowed considerably, bringing risk-adjusted margins to generally unviable levels.

**(c) Segment-wise Performance:**

The Company's main business is investment in shares and investment in equity / debt mutual funds and all the activities of the Company are related to its main business. As such there are no separate reportable segments.

**(d) Outlook:**

The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

**(e) Risks and Concerns:**

The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including interest rate volatility, economic cycle, market risk and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management policies.

**(f) Internal Control Systems & their Adequacy:**

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Audit Committee reviews the quarterly and annual financial statements, adequacy of disclosures treatment of various items involving accounting judgments.

**(g) Discussions on Financial Performance with respect to Operational Performance:**

The income during the year increased to Rs 293.06 Lacs from Rs. 222.29 Lacs in the previous year registering a rise of 31.83%. However, Company earned a profit of Rs. 9.80 Lacs as against a profit of Rs. 112.55 Lacs in the previous year on account of higher provision for diminution in value of investment amounting to Rs. 189.30 Lacs as against 34.44 Lacs in previous year. The provision for FBT and Deferred Tax during the year under review amounted to Rs. 1.27 Lacs.

**(h) Human Resource Development:**

The Company believes that the human resources are vital in giving the company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition / dissemination, creativity and responsibility. As in the past, the Company has enjoyed cordial relations with the employees at all levels.

The number of employees as on 31<sup>st</sup> March 2008, stood at TEN (10).

**(i) Cautionary Statement:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.



### **CORPORATE GOVERNANCE REPORT**

#### **(A) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

Apollo Finvest (India) Limited (AFL) firmly believes in and has consistently practiced good Corporate Governance. The Company's essential character is shaped by the values of transparency, professionalism and accountability. The Company is committed to attain high standards of Corporate Governance. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance all stakeholders' value within the framework of laws and regulations.

#### **(B) BOARD OF DIRECTORS:**

##### **Board Composition:**

The Composition of the Board is in accordance with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchange. The present strength of the Board is Four Directors comprising of Two (2) Executive Directors and Two (2) Non-Executive, Independent Directors. The Executive Directors as well as Non-Executive Directors are accomplished professionals and experts in their respective corporate fields. The Chairperson of the Board is an Executive Director.

The day-to-day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors. She is assisted by a Whole Time Director.

The constitution of the Board as on 31<sup>st</sup> March, 2008 is given below:

Director	Executive/ Non-Executive/ Independent	Number of other		
		Director-ships*	Committee Membership**	Committee Chairmanships**
Smt. Anju R. Innani	Managing Director, Executive	1	Nil	Nil
Shri Umanath R. Agarwal	Executive	2	Nil	Nil
Shri Narayan T. Rathi	Non Executive, Independent	Nil	Nil	Nil
Shri Anil M. Raika	Non Executive, Independent	1	1	Nil

\* This excludes directorship held in Private Limited Companies.

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

#### **(C) 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 Meetings held during 2007-2008 as well as attendance of Directors at the Board Meetings and the last AGM are given herein below:

During the year, the Board Meetings were held Seven times on 30<sup>th</sup> June 2007, 25<sup>th</sup> July 2007, 31<sup>st</sup> July 2007, 22<sup>nd</sup> October 2007, 31<sup>st</sup> October 2007, 31<sup>st</sup> January 2008 and 8<sup>th</sup> February 2008.

Table hereunder gives the attendance record of the Directors at the Board Meetings held during the year 2007-08 and the last AGM:

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Smt. Anju R. Innani	7	7	Yes
Shri Umanath R. Agarwal	7	7	Yes
Shri Narayan T. Rathi	7	4	No
Shri Anil M. Raika	7	4	Yes



*Annual Report 2007-2008***(D) BOARD COMMITTEES:**

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to Committees of the Board set up for the purpose. The Committees prepare the groundwork for decision making and report at the subsequent Board meeting.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said 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. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the Annual financial Statements before submission to the Board for approval, with particular reference to:
  - (i) Any changes in the accounting policies and practices
  - (ii) The going concern assumption
  - (iii) Compliance with accounting standards
  - (iv) Compliance with Stock Exchange and legal requirements concerning financial statements
  - (v) Significant adjustments arising out of audit
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors.



**(c) Composition of the Audit Committee as on 31<sup>st</sup> March 2008:**

The Company has set up an Audit Committee consisting of Two Non-Executive and Independent Directors and One Executive Director. The Chairman of the said Committee is a Non-Executive, Independent Director. All the members of the Committee are financially literate. The Composition of the Audit Committee meets the requirements of Clause 49 of the Listing Agreement and other relevant, statutory/regulatory provisions.

The Audit Committee of AFL comprises of following Directors:

1. Shri Narayan T. Rathi (Chairman), Non- Executive, Independent Director
2. Shri Anil M. Raika (Member), Non-Executive, Independent Director
3. Shri Umanath R. Agarwal (Member), Executive Director

**(d) Meetings and Attendance:**

During the Financial year ended 31<sup>st</sup> March 2008, Four Audit Committee Meetings were held on 30<sup>th</sup> June 2007, 25<sup>th</sup> July 2007, 22<sup>nd</sup> October 2007 and 31<sup>st</sup> January 2008. The table hereunder gives the attendance record of the Audit Committee members:

Name of the Members	Number of Meetings held	Number of Meetings attended
Shri Narayan T. Rathi	4	4
Shri Anil M. Raika	4	4
Shri Umanath R. Agarwal	4	4

The Committee has recommended to the Board the appointment of M/s. Shankarlal Jain & Associates, Chartered Accountants, as the statutory and independent auditors of the Company for the Financial Year ending 31<sup>st</sup> March 2009 and that necessary resolution for appointing them as auditors be placed before the Shareholders.

The Company doesn't have a permanent Company Secretary as required by Section 383A of the Companies Act, 1956. The Company is in process of complying with the same.

**2. Shareholders / Investor Grievance Committee:**

The Committee is headed by an Independent, Non-Executive Director and consists of the following persons:

1. Shri Anil M. Raika (Chairman), Non-Executive, Independent Director
2. Shri Narayan T. Rathi (Member), Non- Executive, Independent Director
3. Shri Umanath R. Agarwal (Member), Executive Director

Shri Lalsing B. Kshirsagar acts as the Compliance Officer of the Company.

**(a) Scope of the Shareholders / Investor Grievance Committee:**

The Committee oversees the performance of the Company's Registrar & Share Transfer Agent, M/s. Intime Spectrum Registry Limited and recommends the measures for overall improvement of the quality of Investor Services. In order to expedite the process of Share Transfer, the Board has delegated the power of Share Transfer to the Registrar and Share Transfer Agent and Share Transfer formalities are approved by them on a fortnightly basis.

**(b) Meetings and Attendance:**

Four Shareholders / Investors Grievance Committee meetings were held on 11<sup>th</sup> April 2007, 25<sup>th</sup>

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July 2007, 31<sup>st</sup> October 2007 and 31<sup>st</sup> January 2008 during the year. The attendance record of members is given in the table hereunder:

Name of the Members	No. of meetings held	No. of meetings attended
Shri Anil M. Raika	4	4
Shri Narayan T. Rath	4	4
Shri Umanath R. Agarwal	4	4

During the year 10 shareholders complaints were received. As at 31<sup>st</sup> March 2008, no complaint remained to be resolved.

There were no pending share transfers from shareholders as at 31<sup>st</sup> March, 2008 for more than 30 days.

### 3. **Remuneration Committee:**

Although not mandatory in terms of Clause 49 of the Listing Agreement, the Company has constituted a Remuneration Committee.

#### (a) **Terms of Reference:**

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

#### (b) **Composition of the Remuneration Committee:**

The Company has set up a remuneration Committee consisting of Two Non-Executive Independent Directors and One Managing Director. The Chairman of the said Committee is a Non-Executive, Independent Director.

The Remuneration Committee of AFL comprises of following Directors:

1. Shri Anil M. Raika (Chairman) Non- Executive, Independent Director
2. Shri Narayan T. Rath (Member) Non-Executive, Independent Director
3. Smt. Anju R. Innani (Member) Managing Director

#### (c) **Remuneration Policy:**

Remuneration including perquisites paid to the Managing Director and Whole Time Director of the Company are recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings.

#### (d) **Details of Remuneration paid to Managing Director and Whole Time Director for the year ended 31<sup>st</sup> March 2008 is as under:-**

Name of Director	Salary (Rs. in Lacs)	Perquisites (Rs. in Lacs)	Total (Rs. in Lacs)
Smt. Anju R. Innani	7.33	0.15	8.48
Shri Umanath R. Agarwal	11.21	0.15	11.36

During the Financial year ended 31<sup>st</sup> March 2008, no sitting fees were paid to the Non- Executive Directors of the Company for attending the Committee Meetings and the Board Meetings.