



**APOLLO FINVEST (INDIA) LIMITED**

**ANNUAL REPORT**

**2004 - 2005**

**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 ANIL M. RAIKA

**DIRECTOR**

**AUDITORS:**

**SHANKARLAL JAIN & ASSOCIATES**

CHARTERED ACCOUNTANTS

**BANKERS:**

STANDARD CHARTERED BANK  
ORIENTAL BANK OF COMMERCE  
SANGLI BANK LIMITED

**REGISTERED OFFICE:**

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

**REGISTRAR & TRANSFER AGENTS:**

INTIME SPECTRUM REGISTRY LTD  
C-13, PANNALAL SILK MILLS COMPOUND,  
L. B. S. MARG, BHANDUP (WEST)  
MUMBAI - 400 078.  
TEL : 5555 5454  
FAX : 5555 5353

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**NOTICE**

**NOTICE** is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of **APOLLO FINVEST (INDIA) LIMITED** will be held on **Thursday, 29<sup>th</sup> September, 2005** at No.1, Party Hall, Sumer Nagar, S.V. Road, Borivali (West), Mumbai – 400 092 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, 2005 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. Dinesh Innani, 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.

**By order of the Board of Directors**

**Place: Mumbai**  
**Dated: 26<sup>th</sup> July, 2005**

**ANJU R. INNANI**  
**MANAGING DIRECTOR**

**REGISTERED OFFICE:**  
**Jewel Arcade, Plot No. 123,**  
**1<sup>st</sup> 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. The Register of Members and Share Transfer Books will remain closed from Tuesday, 27<sup>th</sup> September 2005 to Thursday, 29<sup>th</sup> September 2005 (both days inclusive).
4. Members are requested to notify change of address, if any, to the Company's Registrar & Transfer Agent, M/s. 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.
5. 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.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.

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

<b>Particulars</b>	<b>Mr. Dinesh Innani</b>
Age	56 Years
Date of Appointment	1 <sup>st</sup> July 1997
Qualifications	Diploma in Engineering
Expertise in specific functional areas	Technical & Marketing
Directorship of other Companies	Nil
Chairman/Member of the Committees of the board of the Companies on which he is a Director	Nil

**DIRECTORS' REPORT**

TO,  
THE MEMBERS

Your Directors have pleasure in presenting their Nineteenth Annual Report on the operations of the company, together with the audited accounts for the year ended March 31, 2005.

**FINANCIAL RESULTS :**

(Rs. in Lacs)

Particulars	Year Ended 31-03-2005	Year Ended 31-03-2004
Total income	156.27	277.12
Profit before Depreciation & Tax	50.56	20.81
Less: Depreciation	38.04	52.93
Profit/ (Loss) before Tax	12.52	(32.12)
Less: Provision for Tax	0.95	0.00
Profit/ (Loss) after Tax	11.57	(32.12)
Income Tax for earlier year	0.00	(9.27)
Balance carried to Balance Sheet	11.57	(41.39)

**REVIEW OF OPERATIONS :**

The total income for the year under review, amounted to Rs. 156.27 Lacs compared to Rs. 277.12 Lacs in the previous year, which was mainly on account of Sale of Shares, Lease Rentals, Dividends, Profit on Sale of Investments, interest etc. After deducting total expenditure including depreciation of Rs. 50.56 Lacs and provision for taxation Rs.0.95 Lacs, the Company has earned Net Profit of Rs. 11.57 Lacs which has been carried to the Balance Sheet.

**DIVIDEND :**

With a view to conserve the financial resources for the future operations, your Directors thought it prudent not to declare dividend for the year ended 31<sup>st</sup> March, 2005.

**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 & Leave Encashment 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, 2005 and of the Profit of the company for the year ended on that date.
- 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, 2005 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.

**MANAGEMENT DISCUSSION & ANALYSIS**

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

**DIRECTORS :**

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

**BUYBACK OF 11,50,000 EQUITY SHARES:**

The Buyback of 11,50,000 Equity Shares of Rs. 10/- each at a price of Rs. 10/- each 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 20<sup>th</sup> April 2005.

**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.

**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 shareholder of the Company in them

For and on behalf of the Board

Place: Mumbai  
Date: 26<sup>th</sup> July, 2005

ANJU R. INNANI  
Managing Director

UMANATH R. AGARWAL  
Executive Director

**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 31-3-2005 given below:

Director	Executive / Non - Executive / Independent#	Number of other		
		Director-ships*	Committee Memberships**	Committee Chairmanships**
Smt. Anju R. Innani	Managing Director Executive	1	Nil	Nil
Shri Umanath R. Agarwal	Executive Director, Independent	2	Nil	Nil
Shri Narayan Rathi	Non Executive, Independent	3	Nil	Nil
Shri Dinesh R. Innani	Non Executive	Nil	Nil	Nil
Shri Anil M. Raika	Non Executive, Independent	Nil	Nil	Nil
Shri Pravin 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 Membership does not include Membership/ Chairmanship in Committee of Directors of Apollo Finvest (India) Limited

\*\*\* Resigned w.e.f. 27<sup>th</sup> July, 2004

**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 2004-2005 as well as attendance of Directors at the Board Meetings and the last AGM are given here below:

During the year, the Board Meetings were held Twelve times on 16<sup>th</sup> April 2004, 18<sup>th</sup> May 2004, 16<sup>th</sup> July 2004, 29<sup>th</sup> July 2004, 30<sup>th</sup> July 2004, 21<sup>st</sup> September 2004, 29<sup>th</sup> October 2004, 31<sup>st</sup> December 2004, 5<sup>th</sup> January 2005, 25<sup>th</sup> January 2005, 17<sup>th</sup> February 2005 & 23<sup>rd</sup> February 2005

Name of the directors	Number of Board Meetings attended	Whether attended last AGM
Smt Anju R. Innani	12	Yes
Shri Umanath R. Agarwal	12	Yes
Shri Narayan Rathi	12	No
Shri Dinesh R. Innani	3	No
Shri Anil M. Raika	5	No
Shri Pravin Jain*	Nil	No

\* Shri Pravin Jain resigned as Director on 29th July 2004 & Shri Anil M. Raika appointed as Additional Director from 29th July 2004.

### **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 cover age, 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 31<sup>st</sup> March 2005**

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.

Due to resignation of Shri Pravin H. Jain & appointment of Shri Anil M. Raika as Director, the Audit Committee was reconstituted on 29th July 2004, which comprises of following directors:

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

**Audit Committee attendance for the financial year ended 31<sup>st</sup> March, 2005**

During the Financial year ended 31<sup>st</sup> March 2005, four audit committee meetings were held on 14<sup>th</sup> July 2004, 28<sup>th</sup> July 2004, 28<sup>th</sup> October 2004 and 24<sup>th</sup> January 2005. The table hereunder gives the attendance record of the audit committee members.

Name of the audit committee Members	Number of Meetings held	Number of Meetings attended
Shri Narayan Rathi	4	4
Shri Dinesh R. Innani	4	3
Shri Anil M. Raika	4	4

Management is responsible for the Company's internal controls and the financial reporting process. The Independent Auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the applicable accounting standards and for issuing a report thereon. The Committee's responsibility is to monitor these processes. The Committee is also responsible to oversee the processes related to the financial reporting and information dissemination, in order to ensure that the financial statements are true, correct, sufficient and credible.

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 March 31, 2005 and that necessary resolution for appointing them as auditors be placed before the shareholders.

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

The Committee is headed by an Independent Non-Executive director,

Due to resignation of Shri Pravin H. Jain & appointment of Shri Anil M. Raika as Director, the Shareholders / Investor Grievance Committee was reconstituted on 29th July 2004, which comprises of following directors:

1. Mr. Anil M. Raika, (Chairman), Non Executive–Independent Director
2. Mr. Narayan Rathi, Non Executive–Independent Director
3. Mr. Umanath Agarwal, Executive Director

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

Four Shareholders/Investors Grievance Committee meetings were held during the year ended March 31, 2005. The attendance record of members is given in the table hereunder:

Name of the Shareholders / Investors grievance committee members	Number of Meetings held	Number of Meetings attended
Shri Narayan Rathi	4	4
Shri Umanath Agarwal	4	4
Shri Anil M. Raika	4	4

During the year 40 shareholders complaints were received. As at 31<sup>st</sup> March, 2005, no complaint remained to be resolved. There were no shares which were pending for transfer from shareholders as at 31<sup>st</sup> March, 2005 for more than 30 days.

**D. General body meetings.**

Details of last **three** Annual General Meetings are given hereunder:-

Year	Date	Venue	Time
2001-02	27/09/2002	No. 1, Party Hall, Sumer Nagar, S.V. Road, Borivali (West), Mumbai – 400 092.	1:00 P.M.
2002-03	29/09/2003	No. 1, Party Hall, Sumer Nagar, S.V. Road, Borivali (West), Mumbai – 400 092.	11:30 A.M.
2003-04	17/12/2004	No. 1, Party Hall, Sumer Nagar, S.V. Road, Borivali (West), Mumbai – 400 092.	11:00 A.M.



**Special Resolution:**

1. At 16<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September 2002, one special resolution under section 31 of the Companies Act, 1956 was passed for Alteration of Articles of Association to enable company to buy back its own shares upto 10% of total paid up capital and free reserves.
2. At 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2003, no special resolution was passed.
3. At 18<sup>th</sup> Annual General Meeting held on 17<sup>th</sup> December 2004, three special resolutions were passed as under:
  - i) Special Resolution u/s. 61 of the Companies Act, 1956 for delisting of shares from The Stock Exchange, Ahmedabad and Jaipur Stock Exchange Limited.
  - ii) Special Resolution u/s. 31 of the Companies Act, 1956 for Alteration of Articles of Association to enable Company to buyback its own shares.
  - iii) Special Resolution u/s. 77A & 77B for Buyback of 11,50,000 Equity Shares of Rs. 10/- each at a price of Rs. 10/- each.

The Buyback of 11,50,000 Equity Shares of Rs. 10/- each at a price of Rs. 10/- each 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 20<sup>th</sup> April 2005.

**E. Disclosures:**
**(i) Related Party Transactions:**

In terms of Accounting Standard AS-18, details of Related party transactions during the year have been set out under Note 12 of Schedule-Q annexed to the Balance Sheet and Profit and Loss Account. However, these are not having any potential conflict with the interest of the Company at large.

**(ii) Compliance by the Company:**

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

**F. Means of Communication:**

The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. Generally, the same are published in Free Press Journal (*English language*) and Navshakti (*Marathi language*). As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Stock Exchange, Mumbai immediately after the conclusion of the respective meeting. No presentations were made to the institutional investors or to analysts during the year under review

**G. Management Discussion and Analysis Report:**

Management discussion and analysis Report is attached as Separate Annexure.

**H. General Shareholders' Information:**

- |      |  |   |
|------|--|---|
| i    | Date, time and venue of Annual General Meeting of Shareholders | Thursday 29 <sup>th</sup> September 2005, No. 1, Party Hall, Sumer Nagar, S.V. Road, Borivali (West) Mumbai- 400 092  |
| ii.  | Financial Calendar   | Results for Quarter ended;<br>30 <sup>th</sup> June, 2005 – Last week of July, 2005<br>30 <sup>th</sup> September, 2005 – Last week of October, 2005<br>31 <sup>st</sup> December, 2005 – Last week of January, 2006<br>31 <sup>st</sup> March, 2006 – Last week of April, 2006<br>Annual General Meeting for year ended 31 <sup>st</sup> March 2006 – On or before September 30, 2006. |
| iii. | Dates of book closures   | Tuesday, 27 <sup>th</sup> September 2005 to Thursday, 29 <sup>th</sup> September 2005.  |

- iv. Listing on Stock Exchanges The Stock Exchange, Mumbai.  
The Stock Exchange, Ahmedabad  
Jaipur Stock Exchange Limited
- v. Stock Exchange Code The Stock Exchange, Mumbai – 512437
- vi. Demat ISIN No. in NSDL & CDSL INE412D01013
- vii. Listing fees paid For the Year 2005-06

**viii. Disclosures regarding appointment or re-appointment of directors:**

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Dinesh Innani shall retire by rotation in the forthcoming Annual General Meeting. The Board has recommended the re-appointment of Mr. Dinesh Innani as Director to the shareholders. The detailed resume of Mr. Dinesh Innani is provided in the notice of the Annual General Meeting.

**ix. Stock Market price data:**

Monthly high and low at the Stock Exchange, Mumbai for financial year ended 31<sup>st</sup> March 2005:

Month	High Rs.	Low Rs.
April, 2004	5.65	4.00
May 2004	7.90	5.02
June 2004	8.10	4.00
July 2004	5.30	3.25
August 2004	7.50	3.75
September 2004	9.36	5.00
October 2004	8.15	6.30
November 2004	9.00	7.00
December 2004	9.59	6.30
January, 2005	9.29	6.15
February 2005	8.90	7.30
March 2005	10.00	7.60

**x. 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.No.: 022- 55555454, Fax No.: 022- 55555353

**xi. Share Transfer System**

Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Share Transfer committee of the Company meets as often as required.

The total number of shares transferred in physical form during the year 2004-05 was 83,223 shares.

**xii. Distribution of Shareholding as on March 31, 2005**

No. of Equity Shares held	No. of Share-holders	% of Share-holders	Amt. in Rs.	% of Total
1 - 2,500	6642	89.09	7031200	14.28
2,501 - 5,000	427	5.73	1758050	3.57
5,001 - 10,000	229	3.07	1899680	3.86
10,001 - 20,000	85	1.14	1256860	2.55
20,001 - 30,000	31	0.41	792900	1.61
30,001 - 40,000	5	0.07	174760	0.36
40,001 - 50,000	11	0.15	519500	1.05
50,001 - 1,00,000	16	0.21	1297580	2.63
1,00,001 & Above	10	0.13	34518470	70.09
<b>Total</b>	<b>7456</b>	<b>100.00</b>	<b>49249000</b>	<b>100.00</b>

**xiii. Categories of Shareholding as on March 31, 2005**

Category	Shareholders		Shares	
	Numbers	% to total Shareholders	Numbers	% to total Shareholders
Promoters	5	00.07	28,93,429	58.75
Banks, Financial Institutions, Insurance Companies, Mutual Funds	2	00.03	21,300	0.43
Private Corporate Bodies	47	00.63	58,250	1.18
NRI's/ OCBs	115	01.54	1,21,626	2.47
Indian Public	7,284	97.69	18,26,395	37.08
Others	3	00.04	3,900	00.09
<b>Total</b>	<b>7,456</b>	<b>100.00</b>	<b>49,24,900</b>	<b>100.00</b>

**xv. Dematerialisation of shares and liquidity**

The Company has established required connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. **INE412D01013**. As on 31<sup>st</sup> March 2005, 27,24,636 Equity Shares representing 55.32% had been dematerialized.

**xv. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity.**

There are no GDR/ADR/Warrant or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

**xvi. Address for Correspondence:**
**Intime Spectrum Registry Ltd**

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai – 400 078.

Tel. No.: 022- 5555 5454 Fax No.: 022- 5555 5353

**xvii. Implementation of Non-mandatory requirements:**

The Company has not implemented the non-mandatory requirements enlisted by way of annexure to clause 49 of the Listing Agreement.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-**
**(a) Industry structure and developments:**

The Non Banking Financial Services Industry (NBFC) consists of few large companies, and a large number of small and medium sized companies. The large companies have nationwide presences where as small and medium sized companies have regional presence. This industry provides various services, which include funds based and fee based services. During last many years, several regulatory measures have been implemented which include Prudential Norms framed by Reserve Bank of India other continuous monitoring mechanism.

**(b) Opportunities and Threats**

Indian Economy provides excellent growth opportunities as its GDP growth forecast is at 6% to 7% per annum for the year. The increased thrust to power, road, ports, telecom and other urban infrastructure projects will create a positive environment for the Financial Services Industry in India. Further, growth of service sector also presents new opportunities for Financial services Industry in India.

The entire NBFC Sector faces severe competition from the banking sector due to declining rate of interest. The high quality borrowers are able to enjoy a much-reduced direct cost of borrowing from banks. Banks are taking advantage of lower cost of funds and are taking an increasing share in retail financing and providing strong competition to NBFC.

**(c) Segment-wise performance**

The Company's main business is financing 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's exposed to the risk of interest rate volatility, market risk and credit risk, It is further exposed to risk of economic cycle. The company manages these risks by remaining very conservative and other risk management practices. The company does not maintain a trading position in debt or equity market so as to avoid market risk.

**(f) Internal Control Systems and 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 that transactions are authorized, recorded and reported correctly.

**(g) Discussions on financial performance with respect to operational performance**

During the financial year 2004-05, the Company has made a sizable growth, which is represented by the following data:

(Rs. in Lacs)

Turnover	Year Ended 31-03-2005	Year Ended 31-03-2004
Total income	<u>156.27</u>	<u>277.12</u>
Profit before Depreciation & Tax	<u>50.56</u>	<u>20.81</u>
Less: Depreciation	<u>38.04</u>	<u>52.93</u>
Profit/ (Loss) before Tax	<u>12.52</u>	<u>(32.12)</u>
Less: Provision for Tax	<u>0.95</u>	<u>0.00</u>
Profit/ (Loss) after Tax	<u>11.57</u>	<u>(32.12)</u>
Income Tax for earlier year	<u>0.00</u>	<u>(9.27)</u>
Balance carried to Balance Sheet	<u>11.57</u>	<u>(41.39)</u>

**(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 enjoyed cordial relations with the employees at all levels.

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**APOLLO FINVEST (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by Apollo Finvest (India) Limited (the Company) for the year ended March 31, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shankarlal Jain & Associates**  
Chartered Accountants

Place: Mumbai  
Date: 26<sup>th</sup> July, 2005

**S. L. AGARWAL**  
Partner  
M.No. 72184

**AUDITORS' REPORT**

To,

The Members

**APOLLO FINVEST (INDIA) LIMITED**

We have audited the attached Balance Sheet of **APOLLO FINVEST (INDIA) LIMITED** as at 31<sup>st</sup> March, 2005 and also the Profit and Loss Account and Cash Flow Statement 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 require 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in term of section 227 (4A) 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 Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956, except AS-15 regarding liability for gratuity and leave encashment are not provided on the basis of actuarial valuation.

(e) On the basis of written representations and explanations received from the Directors as on 31<sup>st</sup> March, 2005 and taken on record by the Board of Directors, we report that none of directors is disqualified as on 31<sup>st</sup> March, 2005 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 said account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2005 and
  - (b) In the case of the Profit & Loss Account, of the 'Profit' for the year ended on that date.
  - (c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

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

Place: Mumbai  
Date: 26<sup>th</sup> July, 2005

**S. L. AGRAWAL**  
*Partner*  
M. No. 72184

**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 31<sup>ST</sup> MARCH, 2005.**

- 1(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We are informed that fixed assets other than Leased Assets has been physically verified by the management and no discrepancies were observed between book records and physical verification.
- (c) The Company has not disposed off substantial part of Fixed Asset during the year to effect to its going concern.
- 2(a) Physical verification has been conducted by the management at reasonable intervals in respect of stock of securities.
- (b) 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 nature of its business.
- (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification.

- 3(a) The Company has not either granted or taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained u/s. 301 of the Companies Act, 1956.
- (b) According to the information and explanation given to us, the rate of interest and other terms and conditions of loans given by the Company, secured or unsecured, are not prima facie prejudicial to the interest of the Company.
- (c) The Company has given loans and advances in the nature of loans, the principal amounts and interest wherever applicable are being recoverable as stipulated. The necessary provision has been made as required by the prudential norms of RBI as prescribed for the provisioning of non-performing assets.
- (d) In respect of lease / hire purchase transactions entered into by the Company in its 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 as prescribed for the provisioning of non-performing assets.
4. In our opinion and according to the information and explanation 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 Fixed Assets.
5. In respect of particulars of contracts or arrangement and transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
- a) In our opinion, particulars of contracts or transactions that needed to be entered in the register have been so entered.
- b) According to information and explanations given to us, these contracts or transactions have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from public under provisions of Section 58A of the Companies Act, 1956 and accordingly the provisions of Section 58A and 58AA of the Companies Act and Rules framed thereunder are not applicable.
7. 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.
8. 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.
- 9(a) The Company is regular in depositing undisputed statutory dues including income tax, sales tax, PF, ESIC, Servicetax and any other statutory dues wherever applicable with the appropriate authorities. We are informed that there are no undisputed arrears of outstanding statutory dues as on 31<sup>st</sup> March, 2005 which are outstanding for more than 6 months.
- (b) The Company has disputed Income Tax liability of Rs. 155.80 Lacs which is pending before the Income Tax Appellate Tribunal. However, the Company has deposited full amount even the dispute is pending with the ITAT.
10. The Company does not have accumulated loss at the end of financial year and it has not incurred cash loss in the financial year and in the financial year immediately preceding such financial year.
11. The Company has not taken any loan from bank or financial institution. Hence question of default in repayment does not arise.
12. The Company has not granted any loans or advance on the basis of security by way of pledge of share and debentures or any other securities.
13. In our opinion and according to the explanations given to us, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Society. Therefore the provisions of clause XIII of the Order are not applicable to the Company.
14. Company has maintained proper records of transactions and contracts in respect of dealing in shares, securities and other investments and timely entries have been made therein. All shares and securities have been held by the Company in its own name except as stated in Schedule 'D' of Investments.
15. The Company does not give any guarantee for loans taken by others from bank or from financial institution.
16. The Company has not taken any term loan.
17. The Company has not raised any fund whether short term or long term during the year.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debenture.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us no fraud on or by the Company was noticed or reported during the year.

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

**Place: Mumbai**  
**Date: 26<sup>th</sup> July, 2005**

**S. L. AGRAWAL**  
*Partner*  
M.No.72184

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2005

			AS AT 31 <sup>ST</sup> MARCH, 2005 (Rs.)	AS AT 31 <sup>ST</sup> MARCH, 2004 (Rs.)
	<u>SCHEDULE</u>		<u>(Rs.)</u>	<u>(Rs.)</u>
<b>SOURCES OF FUNDS :</b>				
<b>Shareholders' Funds</b>				
(a) Share Capital	A		49,196,500	49,196,500
(b) Reserves & Surplus	B		55,537,832	54,380,827
<b>TOTAL</b>			<u>104,734,332</u>	<u>103,577,327</u>
<b>APPLICATION OF FUNDS :</b>				
<b>Fixed Assets</b>				
(a) Gross Block	C		41,379,121	64,824,533
(b) Less: Depreciation			38,058,457	56,189,752
(c) Add: Lease Adjustment A/c			11,188,674	15,317,123
(d) Net Block			14,509,338	23,951,904
<b>Investments</b>	D		87,002,370	82,470,651
<b>Current Assets, Loans &amp; Advances</b>				
(a) Interest Accrued on Investments	E		21,145	43,221
(b) Stock of Securities	F		604,706	3,459,914
(c) Sundry Debtors	G		793,861	102,313
(d) Cash & Bank Balances	H		3,607,724	296,641
(f) Loans & Advances	I		20,023,122	20,070,611
			25,050,558	23,972,700
<b>Less: Current Liabilities &amp; Provisions</b>				
(a) Current Liabilities	J		4,372,820	8,470,344
(b) Provisions	K		17,455,114	18,347,584
			21,827,934	26,817,928
<b>Net Current Assets</b>			3,222,624	(2,845,228)
<b>TOTAL</b>			<u>104,734,332</u>	<u>103,577,327</u>
<b>Notes to the Accounts</b>	Q			

As per our report of even date

For **SHANKARLAL JAIN & ASSOCIATES**

Chartered Accountants

**ANJU R. INNANI**

For and on behalf of the Board

Managing Director

**S. L. AGARWAL**

Partner

M.No. 72184

Mumbai: 26th July 2005

**NARAYAN. T. RATHI**

Director

**UMANATH R.AGARWAL**

Executive Director



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2005**

<u>PARTICULARS</u>	<u>SCHEDULE</u>	YEAR ENDED 31 <sup>ST</sup> MARCH, 2005 (Rs.)	YEAR ENDED 31 <sup>ST</sup> MARCH, 2004 (Rs.)
<b>INCOME :</b>			
Sale of Shares	-	4,325,075	17,847,834
Lease Rentals	L	384,827	5,864,510
Dividend	-	1,630,979	318,358
Profit on Sale of Investment (Net)	-	5,639,370	2,910,577
Interest	M	87,700	251,031
Miscellaneous Income	N	396,985	265,407
Excess Provision for Diminution in value of Investment w/back	-	3,161,936	254,086
<b>TOTAL</b>		<b>15,626,872</b>	<b>27,711,803</b>
<b>EXPENDITURE :</b>			
Purchase of Shares	-	129,048	11,565,027
Decrease in Stock -in Trade	O	2,855,208	918,668
Administrative & Other Expenses	P	5,412,486	4,761,153
Diminution in Value of Investments	-	-	8,385,969
Provision for NPA Assets		2,174,466	-
<b>TOTAL</b>		<b>10,571,208</b>	<b>25,630,817</b>
<b>PROFIT BEFORE DEPRECIATION</b>		<b>5,055,664</b>	<b>2,080,986</b>
Depreciation		3,803,659	5,293,329
<b>PROFIT/ (LOSS) BEFORE TAXATION</b>		<b>1,252,005</b>	<b>(3,212,343)</b>
Provision for Taxation		95,000	-
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>1,157,005</b>	<b>(3,212,343)</b>
Income tax for earlier years written off		-	927,417
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>1,157,005</b>	<b>(4,139,760)</b>
<b>Basic and diluted earning per share</b>		<b>0.23</b>	<b>(0.84)</b>
Notes to the Accounts	Q		

As per our report of even date

**For SHANKARLAL JAIN & ASSOCIATES**

Chartered Accountants

**ANJU R. INNANI**

For and on behalf of the Board

Managing Director

**S. L. AGARWAL**

Partner

M.No. 72184

Mumbai: 26th July 2005

**NARAYAN. T. RATHI**

Director

**UMANATH R.AGARWAL**

Executive Director

## SCHEDULES FORMING PART OF BALANCE SHEET

	YEAR ENDED 31 <sup>ST</sup> MARCH , 2005 (Rs.)	AS AT 31 <sup>ST</sup> MARCH, 2004 (Rs.)
<b>SCHEDULE - A</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
80,00,000 Equity Shares of Rs. 10/- each.	<u>80,000,000</u>	<u>80,000,000</u>
<b>ISSUED :</b>		
49,27,450 Equity Shares of Rs. 10/- each.	<u>49,274,500</u>	<u>49,274,500</u>
<b>SUBSCRIBED AND PAID UP :</b>		
49,24,900 Equity Shares of Rs. 10/- each fully paid up	<u>49,249,000</u>	<u>49,249,000</u>
Less: In Arrears (other than Directors)	<u>(52,500)</u>	<u>(52,500)</u>
<b>TOTAL</b>	<u><u>49,196,500</u></u>	<u><u>49,196,500</u></u>
<b>SCHEDULE - B</b>		
<b>RESERVES AND SURPLUS</b>		
General Reserve :		
As per last Balance Sheet	<u>12,184,174</u>	<u>16,323,934</u>
<b>ADD/(LESS):</b> Balance of Profit & Loss A/c	<u>1,157,005</u>	<u>(4,139,760)</u>
	<u>13,341,179</u>	<u>12,184,174</u>
Share Premium Account	<u>42,249,153</u>	<u>42,249,153</u>
Less: In Arrears-by others	<u>(52,500)</u>	<u>(52,500)</u>
	<u>42,196,653</u>	<u>42,196,653</u>
<b>TOTAL</b>	<u><u>55,537,832</u></u>	<u><u>54,380,827</u></u>
<b>SCHEDULE - C</b>		
<b>FIXED ASSETS</b>		

DESCRIPTION	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	AS AT 1.4.2004 (Rs.)	ADDI TIONS (Rs.)	DEDU CTIONS (Rs.)	AS AT 31.3.2005 (Rs.)	UP TO 31.3.2004 (Rs.)	FORTHE YEAR (Rs.)	DEDU- CTIONS (Rs.)	UPTO 31.3.2005 (Rs.)	LESS ADJUST MENT	AS AT 31.3.2005 (Rs.)	AS AT 31.3.2004 (Rs.)
<b>A. LEASED ASSETS</b>											
Plant & Machinery	35460406	-	19999950	15460456	33161744	224595	18999953	14386389	4611942	5686009	9935733
Vehicles	23222137	-	3,480,462	19741675	18730601	3247141	2,935,005	19042738	6576732	7275669	12171588
Sub - Total (A)	<u>58682543</u>	<u>-</u>	<u>23,480,412</u>	<u>35202131</u>	<u>51892345</u>	<u>3471736</u>	<u>21,934,958</u>	<u>33429127</u>	<u>11188674</u>	<u>12961678</u>	<u>22107321</u>
<b>B. FOR OWN USE</b>											
Office Premises	1057885	-	-	1057885	610062	22391	-	632453	-	425432	447823
Office Equipments	237118	-	-	237118	175964	8507	-	184471	-	52647	61154
Computers	1339153	35,000	-	1374153	1301530	19716	-	1321246	-	52907	37623
Airconditioners	444965	-	-	444965	332278	15675	-	347953	-	97012	112687
Furniture & Fixtures	2292628	-	-	2292628	1763259	95816	-	1859075	-	433553	529369
Vehicles	770241	-	-	770241	114315	169819	-	284134	-	486107	655926
Sub Total (B)	<u>6141990</u>	<u>35000</u>	<u>-</u>	<u>6176990</u>	<u>4297408</u>	<u>331923</u>	<u>-</u>	<u>4629330</u>	<u>-</u>	<u>1547660</u>	<u>1844582</u>
Total (A + B)	<u>64824533</u>	<u>35000</u>	<u>23480412</u>	<u>41379121</u>	<u>56189753</u>	<u>3803659</u>	<u>21,934,958</u>	<u>38058457</u>	<u>11188674</u>	<u>14509338</u>	<u>23951903</u>
Previous Year Total	65753741	782291	1711499	64824533	51967633	52993329	1071209	56189753	15317123	23951903	

	YEAR ENDED 31 <sup>ST</sup> MARCH , 2005 (Rs.)	AS AT 31 <sup>ST</sup> MARCH, 2004 (Rs.)
<b>SCHEDULE - D</b>		
<b>INVESTMENTS (Non Trade)</b>		
Long Term (As Per Annexure I annexed)	87,002,370	82,470,651
<b>TOTAL</b>	<u>87,002,370</u>	<u>82,470,651</u>
<b>SCHEDULE - E</b>		
<b>INTEREST ACCRUED ON INVESTMENTS</b>		
On Debentures	9,589	13,155
On Fixed Deposits	11,556	30,066
<b>TOTAL</b>	<u>21,145</u>	<u>43,221</u>
<b>SCHEDULE - F</b>		
<b>STOCK-IN-TRADE</b>		
(As Certified by the management)		
(Equity Shares - As per Annexure II annexed)	604,706	3,459,914
<b>TOTAL</b>	<u>604,706</u>	<u>3,459,914</u>
<b>SCHEDULE - G</b>		
<b>DEBTORS (Unsecured and Considered Good)</b>		
(a) More than Six Months	-	-
(b) Other Debts	793,861	102,313
<b>TOTAL</b>	<u>793,861</u>	<u>102,313</u>
<b>SCHEDULE - H</b>		
<b>CASH AND BANK BALANCES:</b>		
(a) Cash on hand	19,618	16,673
(b) Balances with Scheduled Banks		
In Current Account	643,856	220,230
In Fixed Deposits	2,944,250	59,738
(Pledged Rs 50,000/- With Bank against Bank Guarantee)		
<b>TOTAL</b>	<u>3,607,724</u>	<u>296,641</u>
<b>SCHEDULE - I</b>		
<b>LOANS AND ADVANCES:</b>		
(Unsecured and Considered Good except otherwise stated)		
Loans (Considered doubtful)	735,482	1,040,414
Advances Recoverable in Cash or in kind for value to be received	3,559,683	3,391,933
Advance Tax & TDS	15,727,957	15,638,264
<b>TOTAL</b>	<u>20,023,122</u>	<u>20,070,611</u>
<b>SCHEDULE - J</b>		
<b>CURRENT LIABILITIES:</b>		
Income Received in Advance	-	1,703
Sundry Creditors (other than SSI)	169,646	117,435
Deposits	2,821,372	6,821,362
Other Liabilities	1,381,802	1,529,844
<b>TOTAL</b>	<u>4,372,820</u>	<u>8,470,344</u>
<b>SCHEDULE - K</b>		
<b>PROVISIONS:</b>		
For Taxation	95,000	-
For Diminution in Value of Investment	12,604,623	15,766,559
For Non- Performing Assets	4,755,491	2,581,025
<b>TOTAL</b>	<u>17,455,114</u>	<u>18,347,584</u>

## SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT

	YEAR ENDED 31 <sup>ST</sup> MARCH , 2005 (Rs.)	AS AT 31 <sup>ST</sup> MARCH, 2004 (Rs.)
<b>SCHEDULE - L</b>		
<b>LEASE INCOME;</b>		
Lease Rental	408,312	3,244,092
Add: Lease Equalization (Net)	<u>(23,485)</u>	<u>2,620,418</u>
<b>TOTAL</b>	<u><u>384,827</u></u>	<u><u>5,864,510</u></u>
<b>SCHEDULE - M</b>		
<b>INCOME FROM INTEREST:</b>		
On Loans/Inter Corporate Deposits	-	16,233
On Debentures/Bonds (TDS Rs 16,203/-Previous Year Rs. 23,519/- )	74,070	105,586
On Bank Fixed Deposits ( TDS Rs 1,911/- Previous Year Rs. 7,586/-)	13,630	28,010
On Others	-	<u>101,202</u>
<b>TOTAL</b>	<u><u>87,700</u></u>	<u><u>251,031</u></u>
<b>SCHEDULE - N</b>		
<b>MISCELLANEOUS INCOME:</b>		
Rent ( TDS Rs 46419 , Previous Year Rs.26,551/-)	336,000	158,000
Brokerage	60,985	78,118
Excess Provision for NPA Written Back	-	254,086
Others	-	<u>29,289</u>
<b>TOTAL</b>	<u><u>396,985</u></u>	<u><u>519,493</u></u>
<b>SCHEDULE - O</b>		
<b>DECREASE IN STOCK-IN -TRADE:</b>		
Opening Stock	3,459,914	4,378,582
Less: Closing Stock	<u>604,706</u>	<u>3,459,914</u>
Decrease in Stock-In-Trade	<u><u>2,855,208</u></u>	<u><u>918,668</u></u>
<b>SCHEDULE - P</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES :</b>		
Salaries, Bonus & Allowances	1,695,282	1,583,868
Staff Welfare	85,898	101,187
Rent	327,000	327,000
<u>Repairs &amp; Maintenance</u>		
- On Building	75,300	198,400
- On Others	77,668	296,333
Insurance Charges	19,528	42,834
Motor Car expenses	133,092	119,753
Conveyance & Traveling	86,043	119,962
Postage & Telephone	191,710	136,762
Printing & Stationery	92,560	84,968
Donation	5,000	-
Sundry Balances Written Off	25,940	76,520
Commission & Brokerage	-	29,500
Advertisement & Sales Promotion	77,958	39,697
Legal & Professional Charges	352,402	238,248
Directors' Remuneration	923,400	834,000
Auditors' Remuneration	136,299	118,770
Loss on sale of Assets	850,428	140,290
Miscellaneous Expenses	<u>256,978</u>	<u>273,061</u>
<b>TOTAL</b>	<u><u>5,412,486</u></u>	<u><u>4,761,153</u></u>

**SCHEDULE-Q**
**NOTES TO THE ACCOUNTS FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March 2005.**
**1) SIGNIFICANT ACCOUNTING POLICIES**
**A. System of Accounting:**

The Company follows accrual system of accounting except in case of interest on allotment money in arrears which is accounted as and when received.

**B. Revenue Recognition:**

- (i) Lease Rentals are recognized as revenue over the lease period as per the terms of the lease agreements. Lease Equalisation Amount is computed in accordance with Guidance Note issued by ICAI.
- (ii) Income is recognized in respect of Non-Performing Assets on receipt basis as per RBI Prudential Norms applicable to NBFC.
- (iii) Profit/Loss on Sale of Investments is worked out on the basis of FIFO Method.

**C. Expenses:**

- (i) It is the Company's policy to provide for all expenses on accrual basis.
- (ii) As per the guidelines for Prudential Norms prescribed, the Company makes provision against Non-Performing Assets.

**D. Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation after taking into consideration the Lease Adjustment Amount.

**E. Depreciation:**
**a) On assets for own use:**

Depreciation on assets for own use is provided on Written Down Value Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

**b) On assets given on lease**

Depreciation on assets given on lease upto 31st March, 1994 is consistently provided on Written Down Value Method and on assets given on lease from 1st April, 1994 has been provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

**F. Investments:**

- a) All the Investments are classified as long-term investment based on intention of holding them for a period exceeding one year.
- b) Long term investments have been valued at cost plus any incidental expenses thereto. The cost of Investment includes brokerage but does not include stamp duty, which is charged to revenue.
- c) Provision for diminution in the value of investments is made to recognize a decline, other than the temporary fall in the value.

**G. Stock-in-Trade:**

Stock-in-Trade is valued scrip wise at Cost or Market price whichever is lower.

**H. Gratuity & Other Retirement Benefit:**

Liabilities for gratuity and leave encashment are provided for on an estimated basis instead of on the basis of actuarial valuation.

**2). Contingent liabilities not provided for:**

	<b>Year ended 31.3.2005 (Rs. in Lacs.)</b>	<b>Year ended 31.3.2004 (Rs. in Lacs.)</b>
i) Allotment/Call Money payable	<b>15.97</b>	15.97
ii) Demand raised by Income-Tax department against which the Company has preferred an appeal	-	155.80
iii) Guarantee given by Bankers	<b>0.50</b>	0.50

	Year ended 31.3.2005 (Rs. in Lacs.)	Year ended 31.3.2004 (Rs. in Lacs.)
<b>3). Directors' Remuneration:</b>		
Salary	9.23	8.34
Perquisites	0.30	0.30
<b>4). Details of Auditors' Remuneration:</b>		
(a) Statutory Audit Fees	0.38	0.38
(b) Tax Audit Fees	0.11	0.11
(c) Taxation Matters	0.79	0.53
(d) Certification & others	0.07	0.15
(e) Reimbursement of Expenses	<u>0.01</u>	<u>0.02</u>
	<u>1.36</u>	<u>1.19</u>
5) a) The Company has made provision for Diminution in value of Investment of Rs. 1,26,04,623/- (Previous year Rs. 1,57,66,559/-) on shares of various companies held as investment.		
b) Company has made provision for NPA assets as per RBI Prudential Norms as applicable to NBFC. Accordingly, Company has made provision of Rs. 47,55,591/- (Previous year 25,81,025/-). Further, Company has not made provision on leased assets given to MPSRTC of Rs. 72.76 Lacs as Lessee being State Government Undertaking has given assurance for payment in the year 2005-06.		
6) Balances of sundry debtors, sundry creditors and loans and advances are subject to confirmation and reconciliation if any.		
7) Loans and advances include deposit given against office premises to the managing director and her relatives of Rs. 17,00,000/- (previous year Rs. 17,00,000/-). Maximum balance at any day during the year Rs. 17,00,000/- (previous year Rs. 17,00,000/-)		
8) Sundry creditors do not include any amount payable to SSI Units.		
9) Company does not have a full time Company Secretary as it has not been able to find a suitable person looking to the size of the Company. However, Company has assigned a secretarial work to a practicing Company Secretary.		
10) <u>Particulars in respect of Opening Stock, Purchases, Sales and Closing Stock of Shares and Securities.</u>		
<b>Particulars</b>	<b>Year Ended 31-3-2005</b>	<b>Year Ended 31-3-2004</b>
<b>Opening Stock:</b>		
Quantity (Nos.)	86,951	1,08,724
Value (Rs.)	34,59,914	43,78,582
<b>Purchase :</b>		
Quantity (Nos.)	13,332	65,655
Value (Rs.)	1,29,048	1,15,65,027
<b>Sales:</b>		
Quantity (Nos.)	26,258	87,428
Value (Rs.)	43,25,075	1,78,47,834
<b>Closing Stock:</b>		
Quantity (Nos.)	74,015	86,951
Value (Rs.)	6,04,706	34,59,914
11) The Company's main business is financing and all the activities of the Company are related to its main business. As such there are no separate reportable segments as defined by Accounting Standard-17 on "Segment Reporting". Further, the Company is managed organizationally as a unified entity with various functional heads reporting to the top management and is not organized along product lines. There are therefore, no segments within the Company as defined by Accounting Standard -17 on "Segment Reporting".		

**12) Related Party Information:-**
**i) Relationships**
**a) Where control exists**

Anju R. Innani - Managing Director.  
 Estate of Shri Ramesh R Innani-Late husband of Managing Director  
 Ramesh R. Innani HUF - HUF of Managing Director,  
 Mikhil R. Innani - Son of Managing Director,  
 M/s. AFL Securities India Limited - Associated Enterprise.

**b) Key Management Personnel**

Anju R. Innani	Managing Director
Umanath R. Agarwal	Executive Director

**ii) The transactions with related parties are:**

Particulars	Parties where control exists.		Key Management Personal	
	2004-05	2003-04	2004-05	2003-04
Rent	327000/-	327000/-	-	-
Investment	2500000/-	5000000/-	-	-
Remuneration	-	-	923400/-	834000/-
Balance receivable as on 31-03-2005	1700000/-	1700000/-	-	-

**13) Earning per share**

	Particulars	2004-2005	2003-2004
a)	Weighted average number of equity shares outstanding during the year.	49,24,900	49,24,900
b)	Net Profit /(Loss) after tax available for equity shareholders (Rs. In Lacs)	11.57	(41.40)
c)	Basic & Diluted Earning Per Share	0.23	(0.84)

- 14) In view of Accounting Standard- 22 on "Accounting for Taxes on Income", Company does not have any deferred tax liability due to carried forward losses. There is Deferred tax asset on account of unabsorbed losses, which has not been recognised considering lack of virtual certainty of its realization. Provision for tax for the current year has been made on the basis of estimated tax payable by the Company.
- 15) 11,50,000 Equity Shares of Rs. 10/- each at a price of Rs. 10/- each have been bought back in accordance with Special Resolution passed by the members of the Company in terms of provisions of Section 192A of the Companies Act, 1956 on 20<sup>th</sup> April, 2005. Necessary effects regarding reduction of Capital will be given in coming year.
- 16) Other information's pursuant to the provisions paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 are not applicable.
- 17) Figures are rounded off to the nearest rupee.

**As per our report of even date**  
**For Shankarlal Jain & Associates.**  
**Chartered Accountants**

**(S. L. AGRAWAL)**  
**PARTNER**  
 M.No. 72184  
 Place: Mumbai  
 Date: 26<sup>th</sup> July 2005

**For and on behalf of the Board**  
**ANJU R. INNANI**  
 Managing Director

**NARAYAN T. RATHI**  
 Director

**UMANATH R. AGARWAL**  
 Executive Director

**Annual Report 2004-2005**

**ANNEXTURE -I of SCHEDULE 'D'  
INVESTMENTS (NON TRADE)**

	FACE VALUE	QUANTITY (Numbers)		AMOUNT (RS.)	
		AS AT 31-03-05	AS AT 31-03-04	AS AT 31-03-05	AS AT 31-03-04
<b>LONG TERM INVESTMENTS</b>					
<b>UNQUOTED :</b>					
<b>A. UNITS OF MUTUAL FUNDS</b>					
Birla Cash Plus Fund		35,299	-	629,422	-
Birla Dividend Yield Fund		18,450	-	200,000	-
Birla Monthly Income Fund		1,413,217	1,618,572	17,553,333	19,714,116
DSP Meryl Lynch Op. Fund		28,375	-	450,000	-
Frankling Dynamic Fund		17,256	-	200,000	-
Frankling Prima Fund		117,977	-	3,990,962	-
Frankling Templetan Fund		-	441,491	-	9,322,375
Frankling Templetan MIP		292,999	57,448	4,656,008	900,000
HDFC Capital Builder Fund		181,184	-	3,911,776	-
HDFC CMF Saving Plan Fund		25,051	-	345,000	-
HDFC Equity Fund		14,351	-	297,315	-
HDFC Fund MIP Long Term		-	58,252	-	600,000
HDFC Fund MIP Short Term		-	390,437	-	4,001,000
HDFC Income Fund		360,790	685,730	5,381,205	9,497,422
HDFC Multipule Yield Fund		250,000	-	2,500,000	-
HSBC Equity Fund		150,800	-	3,329,727	-
ICICI Income Plan M Fund		-	58,697	-	1,111,000
LIC MF Bond Fund		-	97,942	-	1,644,882
Principal Cash Management Fund		19,991	43,753	260,320	547,000
Principal India Growth Fund		14,420	-	200,000	-
Principal MIP Fund		-	215,091	-	2,725,000
Principal MIP Plus Fund		-	105,783	-	1,050,000
Prudential ICICI MIP Fund		-	333,806	-	4,339,237
Reliance Equity Fund		7,500	-	75,000	-
Reliance Growth Fund		84,935	-	3,079,919	-
Standard Chartered Cash Fund		10,657	8,890	130,704	104,221
Standard Chartered Growth Fund		-	245,256	-	3,760,000
Templeton Growth Fund		26,381	-	600,000	-
Templeton Income Fund		75,830	-	1,700,004	-
		<u>3,145,465</u>	<u>4,361,148</u>	<u>49,490,695</u>	<u>59,316,253</u>
<b>B. EQUITY SHARES ( FULLY PAID UP)</b>					
1 AFL Securities India Limited	10	100,000	200,000	2,500,000	5,000,000
Ignifluid Boilers Limited	10	100,000	100,000	1,350,000	1,350,000
Indo Deutsche Metallo Chimique Limited	10	40,000	40,000	7,000,000	7,000,000
Shamrao Vithal Co-op Bank Limited	10	1,000	1,000	25,000	25,000
		<u>241,000</u>	<u>341,000</u>	<u>10,875,000</u>	<u>13,375,000</u>
<b>Aggregate cost of Unquoted Investments( A+B)</b>				<u>60,365,695</u>	<u>72,691,253</u>



	<u>FACE VALUE</u>	<u>QUANTITY (Numbers)</u>		<u>AMOUNT (RS.)</u>	
		<u>AS AT 31-03-05</u>	<u>AS AT 31-03-04</u>	<u>AS AT 31-03-05</u>	<u>AS AT 31-03-04</u>
<b>QUOTED :</b>					
<b>C. EQUITY SHARES (fully paid-up unless otherwise stated)</b>					
* Aashi Industries Limited	10	11,500	11,500	230,000	230,000
Aban Lloyd Limited	10	400	-	444,153	-
Acc Limited	10	1,300	-	413,988	-
Alok Text Industries Limited	10	1,420	-	103,177	-
Amrut Industries Limited	10	2,100	2,100	159,870	159,870
Andhra Sugar Limited	10	935	-	128,654	-
Atlas Copco Limited	10	190	-	140,638	-
Ballarpur Ind Limited	10	1,982	-	173,676	-
Bank of India	10	1,856	-	184,148	-
Bharat Electronics Limited	10	897	-	485,366	-
Bharat Heavy Electrics Limited	10	934	-	638,159	-
Birla Corporation Limited	10	2,854	-	462,866	-
Bongaigaon Refineries Limited	10	1,150	-	108,538	-
Celeste International Limited	10	4,000	4,000	115,000	115,000
Crisil Limited	10	188	-	126,752	-
Cummins India Limited	2	3,500	-	434,701	-
Deepharna Limited	10	800	800	35,965	35,965
Delta Industries Limited	10	2,000	2,000	270,000	270,000
Denmur Fax Rolls Limited	10	110,000	110,000	1,100,000	1,100,000
Dev Fastners Limited	10	10,000	10,000	100,000	100,000
Diamond Regina Ceramic Limited	10	88,000	88,000	1,056,000	1,056,000
Dr Reddys Labs Limited	5	142	800	103,436	127,510
Ellora Steels Limited	10	2,700	2,700	67,750	67,750
Essar Shipping Limited	10	1,903	-	64,880	-
* Fabworth India Limited	10	400	400	13,400	13,400
Gillette India Limited	10	180	-	115,794	-
Glaxo India Limited	10	180	-	125,246	-
Glenmark Pharmaceuticals Limited	2	684	-	211,087	-
Grasim Industries Limited	10	138	-	172,563	-
Gujrat Ambuja Cement Limited	10	1,600	-	615,274	-
Gujrat Indo Lube Limited	10	5,800	5,800	98,600	98,600
Gwalior Transmission Limited	10	1,200	1,200	38,595	38,595
Hansu Controls Limited	10	6,800	6,800	68,000	68,000
HCL Infosystems Limited	10	804	-	561,635	-
HDFC Bank Limited	10	240	-	188,784	-
Hindalco Industries Limited	10	550	-	695,118	-
Hinduja Finance Corporation Limited	10	1,500	-	451,538	-
Hindustan Construction Limited	10	682	-	126,934	-
Hyderabad Industries Limited	10	2,000	-	354,829	-
IFCI Limited	10	5,938	-	98,325	-

	FACE VALUE	QUANTITY (Numbers)		AMOUNT (RS.)	
		AS AT 31-03-05	AS AT 31-03-04	AS AT 31-03-05	AS AT 31-03-04
ICICI Bank Limited	10	1,005	-	380,048	-
lcnnet Limited	10	3,064	3,064	137,880	137,880
IDBI Limited	10	6,681	-	705,086	-
* Indian Petrochemical Limited	10	100	-	18,047	-
Jaidka Foods Limited	10	23,000	23,000	782,000	782,000
Jammu & Kashmir Bank Limited	10	352	-	133,300	-
Janak Intermediates Limited	10	2,500	2,500	200,000	200,000
Jindal Iron & Steel Limited	10	-	900	-	152,746
Jindal Southwest Limited	10	514	-	88,498	-
Jindal Steel & Power Limited	5	600	100	38,668	38,668
Jindal Strips Limited	10	136	864	89,699	329,774
Jindal Vijaynagar Limited	10	2,056	-	353,992	-
Keshwani Synthetics Limited	10	-	1,500	-	135,000
Kirloskar Oil Limited	10	616	-	225,766	-
Kothari Global Limited	10	400	400	35,000	35,000
Kpit Cummins Infosys Limited	10	1,600	-	434,587	-
Larsen & Toubro Limited	2	165	-	186,615	-
Lunar Diamonds Limited	10	1,900	1,900	71,250	71,250
Lupin Chemical Limited	10	50	-	36,620	-
Mahanagar Telephone Nigam Limited	10	1,771	-	245,547	-
Malvika Steels Limited (Partly Paid Up)	10	46,900	46,900	469,000	469,000
Maruti Udyog Limited	5	200	-	71,656	-
Max India Limited	10	2,163	-	453,434	-
Moira Wires Limited (Partly Paid Up)	10	25,000	25,000	125,000	125,000
Monet Ispat Limited	10	253	-	45,150	-
Motorol (India) Limited	10	2,000	2,000	67,331	67,331
* Nahar Spg. Mills Limited	10	40	40	5,480	5,480
National Aluminum Limited	10	1,180	-	229,569	-
NTPC Limited	10	1,019	-	63,178	-
* Nnpc Micon Limited	10	100	100	6,530	6,530
NDTV Limited	4	994	-	185,373	-
ONGC Limited	10	1,451	-	1,133,518	-
Orient Syntex Limited	10	1,000	1,000	42,500	42,500
Overseas Cables Limited	10	1,800	1,800	56,250	56,250
Paramount Cosmetics Limited	10	1,300	1,300	143,342	143,342
Pentafour Products Limited	10	50	50	1,777	1,777
Pidilite Industries Limited	10	419	-	177,338	-
Psm Spinning Limited	10	9,500	9,500	451,250	451,250
* Raasi Refractories Limited	10	50	50	2,373	2,373
Rathi Industries Limited	10	5,000	5,000	75,000	75,000
Redex Protech Limited	10	1,500	1,500	43,700	43,700
* Reliance Capital Limited	10	200	200	23,854	23,854

	FACE VALUE	QUANTITY (Numbers)		AMOUNT (RS.)	
		AS AT	AS AT	AS AT	AS AT
		31-03-05	31-03-04	31-03-05	31-03-04
Reliance Industries Limited	10	477	710	127,626	-
Renco Gears Limited	10	1,000	1,000	75,975	75,975
Rock Hard Petro Chem Limited	10	4,000	4,000	88,000	88,000
Samana Steels Limited	10	3,800	3,800	155,930	155,930
Savita Chemical Limited	10	512	-	123,200	-
Sesa Goa Limited	10	1,059	-	-	-
Shri Adhikari Brothers Limited	10	943	-	105,207	-
Siemens Limited	10	152	-	245,423	-
* Silvrline Inds Limited	10	200	200	27,178	27,178
Sintex Industries Limited	10	1,500	-	452,937	-
Sonal Cosmetics (Exp) Limited	10	1,200	1,200	69,000	69,000
Sonal International Limited	10	7,200	7,200	261,000	261,000
State Bank of India	10	258	-	183,828	-
Steel Authority Limited	10	9,000	-	506,965	-
Steel Strips & Tubes Limited	10	5,000	5,000	250,000	250,000
Sterlite Industries Limited	10	850	-	503,628	-
Sun Polytron Limited	10	1,500	-	135,000	-
TCS Limited	1	580	-	554,099	-
Tata Metaliks Limited	10	3,500	-	541,099	-
Tinplat Limited	10	1,000	-	47,820	-
Tisco Limited	10	2,495	-	892,145	-
UBE Industries Limited	10	17,100	17,100	918,187	918,187
Unilever Foods Limited	10	3,000	3,000	87,900	87,900
Union Bank of India	10	3,837	-	272,266	-
Vijaya Bank Limited	10	1,485	-	103,371	-
Western Fruit & Veg. Limited	10	2,500	2,500	41,250	41,250
Western Paques (I) Limited	10	1,000	1,000	180,000	180,000
Wockhadt Limited	5	650	650	-	93,594
Zicom Electronics Limited	10	686	-	69,000	-
		<u>505,060</u>	<u>422,128</u>	<u>26,136,675</u>	<u>9,124,398</u>
<b>D. DEBENTURES ( Fully paid )</b>					
12.75% ICICI Regular Income Bond	5,000	-	30	-	150,000
13.75% ICICI Regular Income Bond	5,000	-	1	-	5,000
14% IDBI Flexi Regular Income Bond	5,000	100	100	500,000	500,000
		<u>100</u>	<u>131</u>	<u>500,000</u>	<u>655,000</u>
<b>Aggregate cost of Quoted Investments (C+D)</b>				<u>26,636,676</u>	<u>9,779,398</u>
<b>Aggregate Market Value of Quoted Investments</b>				<u>22,382,239</u>	<u>2,584,051</u>
<b>AGGREGATE COST OF INVESTMENT(A+B+C+D)</b>				<u>87,002,370</u>	<u>82,470,651</u>

**Notes:**

- Investments in a Company under the same management
- During the year Company received shares of Jindal Stainless Limited on demerger of Jindal Strips Limited
- During the year one share of Rs. 10/- each of Jindal Steel & Power Limited was sub divided into two shares of Rs .5/- each
- During the year shares of Jindal Iron & Steel Limited were amalgamated with Jindal Vijaynagar and Company also received shares of Jindal Southwest Holdings Limited
- \* Shares not held in the name of the company. Transfer of the same is under process.

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**ANNEXTURE -II of SCHEDULE 'E'**

**STOCK IN TRADE CONSIST OF;**

Name of Script	<u>Face Value</u>	<u>Quantity</u>	<u>Lower value</u>
* 21st Century Printer Limited	10	100	785
Altos India Limited	10	500	500
Andhra Paper Mills Limited	10	20	814
* Apollo Tyres Limited	10	265	21,250
* Autopal India Limited	10	500	500
* Bhagirath Engineering Limited	10	100	2,400
Celeste International Limited	10	6,000	6,000
Consolidatae Found. Limited	10	4,200	4,200
Deepharna Limited	10	2,500	2,500
* Graphite Vicarb (Ind) Limited	10	100	100
Gujrat Alkalis Limited	10	25	1,588
Gujrat Propack Limited	10	100	100
Gujrat Suspension Limited	10	1,000	1,000
Hansu Controls Limited	10	500	500
Hindoosthan Spg. Limited	10	100	1,600
Hytai sun Magnetics Limited	10	100	100
* IFCI Limited	10	500	4,500
India Rubber Limited	10	500	800
Indian Seamless Limited	5	104	104
* Indo Borex & Chem Limited	10	600	1,380
Kashipur Holdings Limited	10	575	-
Kirloskar Oil Limited	10	332	66,719
* Majestic Auto Limited	10	100	1,443
Minerva Holdings Limited	10	230	-
Nahar International Limited	10	600	4,500
Overseas Synthetics Limited	10	8,750	74,375
Pan India Drugs & Limited	10	1,000	2,050
Prestige Foods Limited	10	12,700	22,225
Punjab Tractor Limited	10	270	40,211
Raasi Fertilizers Limited	10	7,400	7,400
Rajesh Strips Limited	10	1,000	1,000
Sakura Seimetsu Limited	10	1,000	1,000
Sanghi Polysters Limited	10	15,000	15,000
Shri Ishar Agro Limited	10	1,900	1,900
Shri Ishar Alloy Limited	10	500	500
Simplex Mills Limited	10	1,334	6,803
Sunil Industries Limited	10	900	2,970
Swarnima Oils Industries Limited	10	500	500
Tata Chemicals Limited	10	2,010	300,294
Ucal Fuel Limited	10	100	5,095
<b>Total</b>		<b><u>74,015</u></b>	<b><u>604,706</u></b>

**Notes:**

1. Shares of Kashipur Holdings Limited have been shown at Nil cost as these have been received on account of Company's holding in Vam Organics Chemicals Limited.
2. Shares of Minrva Holdings Limited have been shown at Nil cost as these have been received on account of Company's holding in Vam Organics Chemicals Limited.
3. <sup>(\*)</sup> Shares not held in the name of the company. Transfer of the same is under process.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART- (IV) OF THE COMPANIES ACT, 1956**

**I. REGISTRATION DETAILS**

Registration No. 

	3	6	9	9	1
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 STATE CODE 

1	1
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Balance Sheet Date 

3	1
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0	3
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2	0	0	5
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**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)**

Public Issues	Bonus Issues										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L	
	N	I	L								
	N	I	L								
Right Issues	Private Placement										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L	
	N	I	L								
	N	I	L								

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)**

Total Liabilities	Total Assets														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">4</td></tr></table>		1	0	4	7	3	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">4</td></tr></table>		1	0	4	7	3	4
	1	0	4	7	3	4									
	1	0	4	7	3	4									

**SOURCES OF FUNDS:**

Paid up Capital	Reserves & Surplus												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">9</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">9</td><td style="width: 20px; height: 20px;">6</td></tr></table>		4	9	1	9	6	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">8</td></tr></table>		5	5	5	3	8
	4	9	1	9	6								
	5	5	5	3	8								
Secured Loans	Unsecured Loans												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L			
	N	I	L										
	N	I	L										

**APPLICATION OF FUNDS:**

Net Fixed Assets	Investments												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">9</td></tr></table>		1	4	5	0	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">8</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">2</td></tr></table>		8	7	0	0	2
	1	4	5	0	9								
	8	7	0	0	2								
Net Current Assets	Accumulated Losses												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">3</td></tr></table>		3	2	2	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L			
	3	2	2	3									
	N	I	L										
Misc. Expenditure													
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L									
	N	I	L										

**IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)**

Total Income	Total Expenditure												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">6</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">7</td></tr></table>		1	5	6	2	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">5</td></tr></table>		1	4	3	7	5
	1	5	6	2	7								
	1	4	3	7	5								
Profit Before Tax	Profit After Tax												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">2</td></tr></table>		1	2	5	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">7</td></tr></table>		1	1	5	7		
	1	2	5	2									
	1	1	5	7									
Earnings Per Share in (Rs.) (Basic & Diluted)	Dividend Rate %												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">3</td></tr></table>		0	.	2	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;">N</td><td style="width: 20px; height: 20px;">I</td><td style="width: 20px; height: 20px;">L</td><td style="width: 20px; height: 20px;"></td></tr></table>		N	I	L			
	0	.	2	3									
	N	I	L										

**V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS) PRODUCT DESCRIPTION**

L E A S I N G			
S H A R E T R A D I N G			
I N V E S T M E N T I N	S E C U R I T I E S		
C O R P O R A T E	F I N A N C E		

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005

	2004-2005 (Rs. in Lacs)	2003-2004 (Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax	11.75	(41.39)
<b>Adjustments for :</b>		
Provision for Tax	0.95	-
Income Tax for earlier years	-	9.27
Depreciation	38.04	52.93
Excess - Short Provision for Diminution in Value of Investment	(31.62)	83.86
(Excess)/ Short Provision for NPA	21.74	(2.54)
(Profit)/ Loss on sale of Investment	(56.39)	(29.10)
(Profit)/Loss on sale of Fixed Assets	8.51	1.40
Interest Income	(0.88)	(2.51)
Dividend Income	(16.31)	(3.18)
Rent Received	(3.36)	(1.58)
Lease Equilisation	0.23	(26.20)
<b>Operating Profit before Working Capital Changes</b>	<b>(27.52)</b>	<b>40.96</b>
<b>Adjustments for :</b>		
Trade Debtors	(6.92)	0.14
Inventories	28.55	9.18
Trade Payables	(40.97)	5.84
Other Receivables	1.60	1.94
<b>Cash generated from operations</b>	<b>(45.26)</b>	<b>58.06</b>
Direct Taxes Paid / Refund received	(0.90)	0.32
<b>Net cash Flow (used) from operating activities</b>	<b>(46.16)</b>	<b>58.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(0.35)	(7.82)
Sale of Fixed Assets	48.00	5.00
Purchase of Investments	(971.67)	(488.26)
Sale of Investment	982.74	409.35
Rent Received	3.36	1.58
Interest Received	0.88	2.51
Dividend Income	16.31	3.18
<b>Net Cash Flow (used) in Investing Activities</b>	<b>79.27</b>	<b>(74.46)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>-</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	33.11	(16.08)
Opening Balance of Cash and Cash Equivalents	2.97	19.05
Closing Balance of Cash and Cash Equivalents	36.08	2.97

This is Cash Flow Statement referred to in our Report of even date

**For SHANKARLAL JAIN & ASSOCIATES**

Chartered Accountants

**ANJU R. INNANI****S. L. AGARWAL**

Partner

M.No. 72184

Mumbai: 26th July 2005

**NARAYAN. T. RATHI**

For and on behalf of the Board

Managing Director

Director

**UMANATH R.AGARWAL**

Executive Director

**APOLLO FINVEST (INDIA) LIMITED**

Registered Office: "JEWEL ARCADE", Plot No. 123, TPS IV, Waterfield Road,  
Bandra (West), Mumbai - 400 050.

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Folio No.

No of shares held

DP ID\*

CLIENT ID\*

\* Applicable to investors holding shares in electronic form

I hereby record my presence at the 19<sup>th</sup> ANNUAL GENERAL MEETING to be held at No. 1, Party Hall, Sumer Nagar, S. V. Road, Borivali (West), Mumbai 400 092 on September, 29, 2005 at 11.30 a.m. as shareholder / proxy.

\_\_\_\_\_  
Name Of Shareholder / Proxy\*

\_\_\_\_\_  
Signature Of Shareholder / Proxy\*

\* Strike whichever is applicable.

**APOLLO FINVEST (INDIA) LIMITED**

Registered Office: "JEWEL ARCADE", Plot No. 123, TPS IV, Waterfield Road,  
Bandra (West), Mumbai - 400 050.

**PROXY FORM**

Folio No.

No of shares held

CLIENT ID

I/We ..... of ..... being a member / members of the above named Company, hereby appoint ..... of ..... of failing him ..... of failing him ..... of ..... as my / our proxy to vote for me / us on my / our behalf at the 19<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at \_\_\_\_\_ on \_\_\_\_\_, the \_\_\_\_\_ and at any adjournment thereof.

Date..... Signature: .....

Rs. 1/-  
Revenue  
Stamp

**NOTES:**

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The Companies Act, 1956, lays down that the instrument, appointing a proxy shall be deposited at the Registered Office of the Company not less than **FORTY EIGHT HOURS** before the time fixed for holding the meeting.
3. A proxy need not be a member.

**BOOK - POST**

*If undelivered, please return to:*

**APOLLO FINVEST (INDIA) LIMITED  
REGISTERED OFFICE:  
"JEWEL ARCADE",  
PLOT NO. 123, TPS IV,  
WATERFIELD ROAD,  
BANDRA (WEST),  
MUMBAI - 400 050.**