
BOARD OF DIRECTORS

MR. ANIL T. PATEL	-	<i>DIRECTOR</i>
MR. MANIBHAI V. PATEL	-	<i>DIRECTOR</i>
MR. AJITKUMAR T. PATEL	-	<i>DIRECTOR</i>
MR. ASIT A. PATEL	-	<i>MANAGING DIRECTOR</i>
MR. ANAND A. PATEL	-	<i>EXECUTIVE DIRECTOR</i>
DR. N. V. VASANI	-	<i>INDEPENDENT DIRECTOR</i>
DR. N. T. PATEL	-	<i>INDEPENDENT DIRECTOR</i>
MR. R. C. GOSAIN	-	<i>INDEPENDENT DIRECTOR</i>

COMPANY SECRETARY

SURESH S. SHAH

STATUTORY AUDITORS

ARVIND A. THAKKAR & CO.,
Chartered Accountants,
Ahmedabad

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

Ditasan, Post Jagudan,
State Highway,
Mehsana - 382 710 (North Gujarat)

CORPORATE OFFICE

“Apollo House”,
Near Mithakhali Six Roads,
Navrangpura,
Ahmedabad - 380 009.

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GUJARAT APOLLO INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the members of Gujarat Apollo Industries Limited will be held on Friday, the 24th of September, 2010 at 11.30 A.M at the Registered office of the Company at Ditasan, Post Jagudan, State Highway, Mehsana – 382710 (N.G.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Anil T. Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Manibhai V. Patel, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 349 and any other applicable provisions if any and Schedule XIII of the Companies Act, 1956 and subject to approval of the shareholders and any other approval as may be required, Mr. Ajit T. Patel be and is hereby appointed as Whole-time Director of the Company on such terms and conditions as mentioned below:

Tenure of Appointment : Three Years w.e.f. 1st August, 2010

Commission : 1% (as computed u/s 198, 309 and 349 of the Companies Act, 1956)

Perquisites: In addition to the above, he shall also be entitled to perquisites like Medical Reimbursement and Hospitalization Expenses as may be applicable as per the rules of the Company from time to time.

RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorized to do all such acts, deeds matters and things as in its absolute

discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question or doubt that may arise in relation thereto and to decide the breakup of the remuneration within the above said maximum permissible limit.

By order of the Board of Directors

Place : Ditasan, Mehsana

SURESH S. SHAH

Dated : 30th July, 2010

Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under Item No. 6 of the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Book of the company will remain closed from 18th September 2010 to 25th September 2010.
4. Dividend, when declared, shall be paid to those members whose names appear on the Register of Members of the Company as on 17th September, 2010.
5. Pursuant to Section 205 – A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the dividends declared for the Financial Year ended 2003 and onwards, which remains unpaid or unclaimed for a period of seven years to the Investors Education and Protection Fund. It may be noted that no claims will lie against the Company or the investors Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the Fund. The members who have not claimed their dividend for the financial year ended 31st March 2003 and onwards are requested to lodge their claim with the Company.

6. Members are requested to notify immediately the change in address, if any, to the Company.
7. As an austerity measure, the copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy to the meeting.
8. The shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6

Mr. Ajit Patel, was appointed as a Director of the company since 1st April, 2001. Since then there has been a considerable contribution made by him for the growth of the company.

The Board of Directors at their meeting held on 30th July, 2010, on recommendation made by remuneration

committee, has approved the proposal to appoint him as a Whole-time Director of the company w.e.f. 1st August, 2010 subject to such approval as may be required.

Pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 the approval of the members is required to be obtained for appointment of Whole-time Director. The Board recommends the resolution for approval of members.

You are requested to accord your approval to the appointment of Mr. Ajitbhai T. Patel as per resolution set out at item No. 6 of the accompanying notice.

None of the Directors except Mr. Ajitbhai T. Patel and Mr. Anilbhai Patel are interested or concerned in the above resolution.

By order of the Board of Directors

Place : Ditasan, Mehsana

Dated : 30th July, 2010

SURESH S. SHAH

Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report for the year ended 31st March, 2010.

FINANCIAL PERFORMANCE

	(Rupees in Lacs)	
	Current Year 2009-10	Previous Year 2008-09
Sales (Net of Excise) and Other Income	20500.50	16990.71
Profit before Interest, Depreciation and Taxes	4484.11	3565.70
Less : Interest	126.85	146.79
Depreciation	214.39	182.77
Provision for Taxation	1345.00	1050.00
Deferred tax Liability	104.45	03.97
Fringe Benefit Tax	00.00	20.00
Net Profit	2693.41	2162.16
Add : Profit & Loss Account Balance B/F	1106.48	1312.86
Amount available for proposed appropriations	3799.90	3475.02
Proposed Dividend	414.37	315.00
Transfer to General Reserve	1500.00	2000.00
Provision for Tax on Dividend	70.42	53.53
Balance carried to Balance Sheet	<u>1815.10</u>	<u>1106.48</u>

OPERATIONAL REVIEW

During the year under review, the Company achieved a turnover of Rs. 201.69 crores against Rs. 167.10 crores in the previous year registering a growth of 20.70 %. EBITDA at Rs. 44.84 crores (Previous year Rs. 35.65 crores) is higher by 25.78 %. After considering the interest charges of Rs. 1.27 crores, depreciation of Rs. 2.14 crores, provision for taxation of Rs. 13.45 crores, the Company has earned a net profit of Rs. 26.93 crores as compared to Profit of Rs. 21.62 Crores in the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 2.50/- per share on Equity Shares of the company aggregating to Rs. 414.38 Lacs on 1,65,75,000 Equity shares of the company. The dividend will be payable to the members, whose names appear on the register of members on 17th September, 2010.

MANAGEMENT REVIEW:**Industry structure and development**

The road construction equipment industry in India can be broadly classified into two categories:

- a) High technology equipment like Batch type asphalt plant and Sensor pavers
- b) Medium / low technology equipment like Drum type asphalt plant, Wet mix mecadam plant and Mechanical pavers.

The competition in (a) is with foreign players and in that of (b) it is with local players.

The major development in the road construction industry is the entry of high level Indian corporate bodies and several construction majors in the world. Thanks to the positive government policies, the road construction industry in India is poised for a good sustainable growth.

Products:

All the products manufactured and sold by the company and its subsidiaries can be generally classified into two major categories. The first is mobile construction machinery such as paver finishers of all types and sizes and bitumen pressure distributors. The second one being industrial plants such as batch mix plants, drum mix plants, wet mix plant and crushing and screening plants. During the year, company has undertaken a comprehensive operational restructuring. Under this exercise, manufacturing of all the products under industrial plants are consolidated at Gujarat Apollo Industries Ltd., manufacturing of mobile construction machinery is now being done by Apollo Earthmovers Ltd., and its subsidiary Apollo Industrial Products Ltd., This restructuring is bound to prove very useful in dealing with different industry challenges and dynamics.

During the year, company has formed a wholly owned subsidiary Apollo Maschinenbau GmbH at Germany. This company is initially focusing on the crushing and screening products. With this subsidiary, company intends to create a base for catering into the eastern European countries.

The crushing and mineral processing range of equipment launched in 08-09 has found satisfactory acceptance with the customers in India. This product line contributed 700 Lacs to the company's revenue. The 9 and 6 meter width sensor pavers introduced in 2009-10 is also gaining market acceptance. With this product line, the company expects to increase its market share appreciably in this market segment.

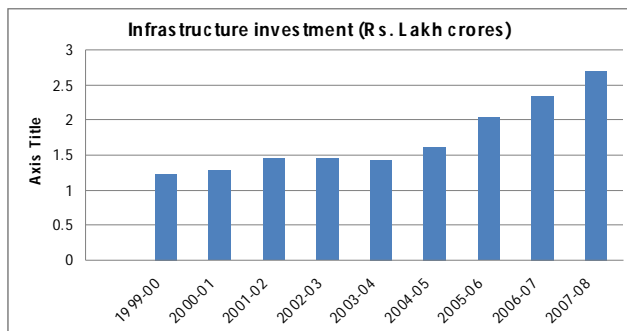
The year that was and the future outlook

The overall economic conditions in India improved in Financial Year 2009-10 with the GDP growth of 7.4% which was more than the projected growth of 6.7%. In the first half of 2009-10, the global economy was slowly getting out of the recession and the consequent economic slow down. India did reasonably well in this period. Availability of project finance, which was a major constraint for the customers in 2008-09, was better. The overall scenario, while cannot be termed as picture perfect, was definitely far better than 2008-09. The improvement on the economic front in India continued in the second half of 2009-10 as well.

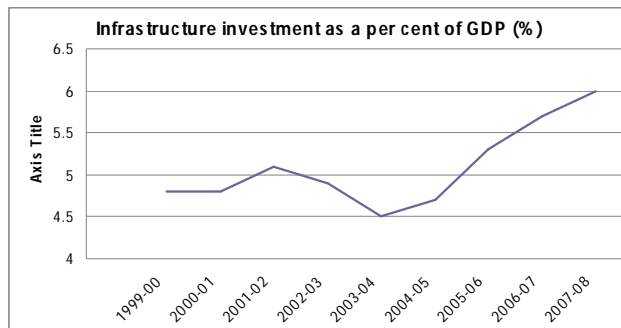
With specific reference to our industry, increase in the percentage of Viability Gap Funding (VGF) has made the Build Operate & Transfer (BOT) business model attractive and sustainable to the contractors. This resulted in good participation of contractors in the tenders floated by NHAI and other Government departments. NHAI did award about 65% of the target contracts during 2009-10. The economic condition in the overseas markets, however, did not improve as well as anticipated. In many countries, obtaining finance for purchase of equipment continued to be an extremely difficult task. Overall, it is estimated that the market for road construction machinery which shrunk by about 20-25% in Financial Year 2008-09, had recovered to the levels of Financial Year 2007-08, in the year under review. Given this, the company's overall performance in Financial Year 2009-10 can be termed satisfactory.

The thrust on export business continued in Financial Year 2009-10 with a revenue of Rs. 40.09 crores, including deemed exports, contributing to 19.88 % of total turnover (Previous Year 24%) In Financial Year 2009-10, the company achieved break through in Libya, Angola and Egypt.

Hon'ble Minister of Road Transport is continuing with his thrust on road sector and in Financial Year 2010-11, contracts for 24000 kms. of road is expected to be awarded. With this kind of commitment from the central and various state governments, combined with the steady progress of PMGSY, the road construction equipment industry is expected to grow by 15-20% in Financial Year 2010-11.

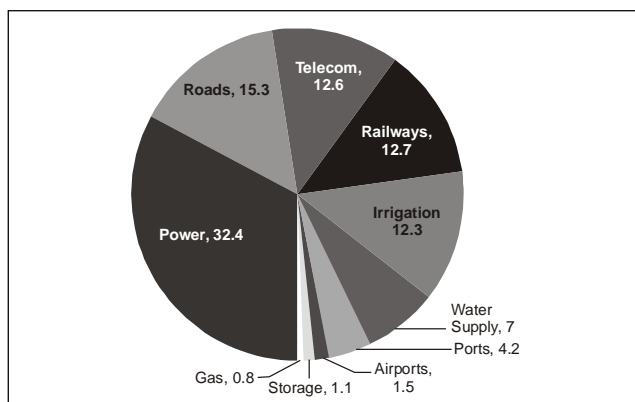


Source : Planning Commission Report



Source : Planning Commission Report

11th Plan Infrastructure Outlay-Sector Share (%)



More and more new players, both from India and abroad are entering the road construction industry which is a good sign for the industry. Estimates indicate that the economic conditions will continue to be on the upswing. The public sector banks who are now active players in financing road projects are sitting on large amounts of funds; hence project finance availability will not be a constraint.

On the domestic front, the company has strengthened the new branches opened at Kolkata and Guwahati by commencing the stocking and sale of spare parts to cater to the needs of eastern and north eastern regions. In 2010-11, the company expects to put in place similar arrangements in Patna and Raipur. The latest addition is Chandigarh branch, to cater Punjab/Haryana & HP. This pan India presence gives the company the requisite competitive edge.

Exports will continue to be a thrust area. In 2010-11, apart from existing markets, the company will focus on South Africa, New Zealand and South America. In the international markets, five new dealers have been appointed, taking the total number to eight.

Risk, concerns and action plan

The major strength of the industry is Government of India emphasis on road development. The revenues are totally depended on the pace of investment by the Government in the road construction segment.

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All the competitors from abroad are highly focussed in Indian market given the plateau / negative growth in their own markets. The competition is intense. This is likely put pressure on profit margins.

The company perceives possible competition from China and shift of preference to used equipment as sources of concern.

The company has been meticulously following the value engineering philosophy. This has helped the company in offering the products and services at competitive prices without hurting the bottom line.

The pan India presence combined with competitive spare part prices result in a low product life cycle cost of Apollo equipment.

The company is putting in place a world renowned Customer Relationship Management system which would take the market intelligence and customer support to the next level.

Internal control systems

The company works in a SAP environment, which covers all the activities related to manufacturing of equipment and spare parts. The branch operations are totally system driven with the requisite checks and balances. The company has its own internal audit team and has also engaged the services of Deloitte as Internal Auditors.

Human Resource

Over the years, the company has invested very highly on its human resources. All the operations of the company are run by professionals with the right qualifications and experience. Training for enhancement of skills is an ongoing exercise.

DEPOSITS

During the year under review, the Company has accepted/ renewed deposit from public/ shareholders within the provisions of Section 58A of the Companies Act., 1956 as amended and rules made there under. The company has complied with the provisions of the relevant Rules. There is no overdue deposit as on 31st March, 2010.

CONSOLIDATED ACCOUNTS

The audited consolidated financial statements received from subsidiaries as approved by their respective Board of Directors have been prepared in accordance with Accounting Standards:- 21 (AS – 21) on the Accounting for investment in Associates.

SUBSIDIARY COMPANIES

As required under section 212 of the Company's Act, 1956, a statement of the holding company's interest in the

Subsidiary companies is attached as "Annexure" and forms a part of this report. In the terms of approval granted by the Central Government under the provisions of Section 212(8) of the Companies Act, 1956, copies of Balance Sheet, Profit and Loss Account, Report of Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Annual Accounts of the Company. However, company has not sought exemption for attaching copy of Balance Sheet, Profit and Loss Account in respect of Apollo Maschinenbau GmbH, and therefore, same is attached with this Annual Accounts. The company will keep these documents at the Registered office of the company and its subsidiaries and make them available upon the request by any investor of Company as well as any investor of its subsidiaries.

RESPONSIBILITY STATEMENT

The Directors confirms:

- a) That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
- b) That they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period.
- c) That they 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.
- d) That they have prepared the Annual Accounts on a going concern basis.

DIRECTORS

Mr. Anil T. Patel and Mr. Manibhai V. Patel, the director of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re appointment. You are requested to reappoint them.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The particulars regarding conservation of energy and technology absorption and Foreign Exchange earning and outgo pursuant to Section 217 (1) (e) of the Companies Act 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given in the Annexure " A." which forms part of this Report.

PERSONNEL

During the year, the relations between the Management and the employees of the Company have been very cordial. Particulars of employees as required under the provisions of section 217(2) (A) of the companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of board of directors) Rules 1988 are given in annexure : B.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the stock exchange, a separate section on corporate governance practices followed by the company together with a certificate from the company's Auditors confirming compliance is set out in the Annexure forming part of this Report.

AUDITORS

M/s Arvind A. Thakkar & Co., Chartered Accountants Ahmedabad retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment as a Auditor of the company. The Auditor's have confirmed that their appointment, if made would be within limit prescribed under section 224(1B) of the Companies Act, 1956 and they are not disqualified, within the meaning of Sub-Sections (3) and (4) of Section 226 of the Companies Act, 1956.

AUDITORS' REPORT:

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, which have been relied upon by us, we report that no fraud on or by the company has been noticed or reported during the course of audit..

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the co-operation received from the Banks and Financial institutions and the services rendered by the employees and look forward to their continued support in the years to come.

For and on behalf of the Board of Directors

Place : Ditasan, Mehsana
Dated : 30th July, 2010

ANIL T. PATEL
Chairman

ANNEXURE-'A' ANNEXURE TO DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

	2009-10	2008-09
Power & Fuel Consumption		
1. Electricity:		
a) Purchased		
Units	1074773	922594
Total Amount (Rs.) :	6815577	5032153
Rate/Unit (Rs.) :	6.34	5.45
b) Own Generation :	NIL	NIL
2. Coal :	NIL	NIL
3. Furnace Oil :	NIL	NIL
4. L P G Quantity (Kg.) :	12654	11267
Total cost (Rs.) :	540137	524451
Rate/unit (Rs.) :	42.69	46.55

B. TECHNOLOGY ABSORPTION :

1. Research & Development (R & D)

The Company is not having an independent Research & Development unit registered with the Government of India. However, product developmental activities continue to get utmost priority in the field of process technology, improvement in quality, import substitution etc., through the quality assurance department.

Benefit Derived as a result of above R & D

The Company has been able to substitute some of the indigenous spares, which were earlier to be imported.

2. Technology Absorption and Innovation

- a) Efforts: The Company has been able to indigenize components required for the manufacture of hydrostatic paver finisher.
- b) Benefits derived: better product and indirect saving in foreign exchange
- c) Particulars of technology imported during the past 5 years:

A. (i) Technology Imported :

Technology relating to the manufacture of crushers, Feeders, Screens, conveyers etc.

(ii) Year of Import : 2006

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- | | |
|---|---|
| <p>(iii) Has the technology been absorbed.
Technology has been partially absorbed.</p> <p>(iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions.
Technology for the other models is under development and absorption.</p> | <p>(iii) Has the technology been absorbed:
Technology has not been absorbed fully.</p> <p>(iv) if not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions.
Technology for the other models is under development and absorption.</p> |
|---|---|
2. (i) **Technology Imported:** Vibratory Compactor
- (ii) Year of Import: 2007
- (B) FOREIGN EXCHANGE EARNINGS AND OUTGO :**
The required information is contained in the Notes to the Accounts, Schedules "S" 5 to 7.

ANNEXURE-'B' TO THE DIRECTORS' REPORT

Statement showing the particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies act, 1956 and forming part of the Directors Report for the year ended 31st March, 2010.

(A) EMPLOYED THROUGH OUT THE YEAR

Sr. No.	Name	Age/Yrs.	Designation	Remuneration (Rs.)	Qualification & Experience	Date of Employment	Last Employment	% of Equity Shares held by the employee
1.	Mr. Asit A. Patel	41 years	Managing Director	92,89,057/-	B.S. (USA) (Engineering Management) (18 Years)	01/07/1994	-	7.48%
2	Mr. Anand A. Patel	38 years	Executive Director	54,21,929/-	B. E. (Mechanical Engineering, ME (USA) , MBA (USA) (12 Years)	01/09/2007	Managing Director - Johnson Screens (India) Limited	7.17%
3	Mr. Dharmesh M. Mashru	49 years	Chief Executive Officer	30,91,167/-	B. E., M.B.A. (25 Years)	01/02/2009	Chief Operating Officer Jhonsen Screens (India) Limited	Nil

(B) There is no employee for part of the year.

- Note : (1) The Nature of appointment of Mr. Asit A. Patel and Mr. Anand A. Patel are contractual.
(2) Remuneration includes Salary, Allowance, Commission, Provident Fund and Taxable Value of the perquisites.

ANNEXURE 'C'
REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At Gujarat Apollo, value creation is a philosophy that is ubiquitous across the organization. The Shareowners remain the focus of our growth strategy. Ensuring stability in a dynamic environment and growth in competitive time is a commitment we have and have kept since our inception. Your company has always believed in the concept of good corporate governance involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Mandatory provisions of corporate governance as stipulated under listing agreement of Stock Exchanges are being complied with.

2. BOARD OF DIRECTORS

The Board of Directors includes a Managing Director, an Executive Director and Three Non – Executive and Three Independent Directors. The composition of board is in compliance with the requirements of Clause 49(1)A. None of the Directors of the company was a member of more than ten committees nor was the Chairman of more than five Committees across all companies in which they are directors. The detailed composition of the board and other related information is given in the table below:

Name of the Director	Designation	Category	No. of Directorship held	No. of Memberships / Chairmanships of other Board Committees	No. of Board meeting attended	Attendance at the last Annual General Meeting
Mr. Anil T. Patel	Founder Chairman and Director	Promoter Non-Executive	5	1	6	Yes
Mr. Manibhai V. Patel	Director	Promoter Non-Executive	3	NIL	6	No
Mr. Ajitkumar T. Patel	Director	Non-Executive	2	NIL	4	No
Mr. Asit A. Patel	Executive Director	Managing Director	3	2	5	Yes
Mr. Anand A Patel	Executive Director	Executive Director	5	1	6	Yes
Dr. N. V. Vasani	Director	Independent Non-Executive	NIL	3	5	No
Dr. N. T. Patel	Director	Independent Non- Executive	NIL	1	6	No
Mr. R. C. Gosain	Director	Independent Non-Executive	2	3	6	Yes

During the year, Six Board meetings were held, details of which are given in the table below:

Date of Board Meeting	30-04-2009	20-06-2009	31-07-2009	24-08-2009	29-10-2009	31-01-2010
No. of Directors present	08	07	08	07	07	07
Board Strength	08	08	08	08	08	08

The time gap between any two meeting was less than 4 months.

3. AUDIT COMMITTEE

The Audit Committee comprising of the following Directors was reconstituted by the Board of Directors in its meeting held on 26-10- 2005.

The terms of reference of the Audit Committee are as under:

1. To investigate into any matter in relation to the items specified in Section 292(A) of the Companies Act, 1956 and also as contained under Clause 49 of the listing agreement.

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2. Reviewing of the Companies Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Recommending the appointment of external Auditor and fixation of Audit fee.
4. Reviewing with management the Annual financial statements and half yearly and quarterly financial results before submission to the Board.
5. Reviewing periodically the adequacy of the internal control system.
6. Discussion with Internal Auditor on any significant findings and follow up there on.

The composition of Audit committee is as under:

Name of the Director	Designation	Category
Mr. R. C. Gosain	Chairman	Independent Non- executive Director
Dr. N. V. Vasani	Member	Independent Non-Executive Director
Mr. Asit A. Patel	Member	Managing Director

During the year the committee held five meetings on 30th April 2009, 31st July,2009, 24th August 2009, 29th October 2009 and 30th January 2010. The time gap between two meetings was not more than four months.

4. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders Grievances Committee was reconstituted by the Board of Directors on 26th October, 2005 to ensure the effective redressal of the complaints of the investors. The committee also recommends steps to be taken for further implementation in the quality and services to the investors.

Composition of the Investors Grievance Committee

Name of the Director	Designation	Category
Mr. R. C. Gosain	Chairman	Independent Non-Executive Director
Dr. N. V. Vasani	Member	Independent Non-Executive Director
Mr. Asit A. Patel	Member	Managing Director

During the year the committee held three meetings on 30th July 2009, 29th October 2009 and 30th January 2010.

During the year under review the Company Received NIL complaints and the Company's Registrar and Share Transfer Agent has resolved all the complaints.

Name and designation of compliance officer:

Mr. Suresh Shah (Company Secretary)

5. REMUNERATION COMMITTEE

The Remuneration Committee was reconstituted by the board of directors at its meeting held on 26th October, 2005.

Composition:

Name of the Director	Designation	Category
Dr. N. T. Patel	Chairman	Independent Non-Executive Director
Dr. N. V. Vasani	Member	Independent Non-Executive Director
Mr. R. C. Gosain	Member	Independent Non-Executive Director

Terms of reference:

1. Recommend and review the remuneration of Managerial Personnel like Managing Director and Whole-Time Directors.
2. Recommend and review the remuneration of Non Executive Directors of the Company.

Mr. Asit A. Patel was paid a gross remuneration of Rs. 9289057/- as Managing Director and Mr. Anand A. Patel was paid a remuneration of Rs. 5421929/- as Executive Director. The remuneration includes salary, commission, other perquisites and retirement benefits.

Non-Executive Director

A commission @ 1% is payable to Mr. Anil T. Patel, Mr. Manibhai V. Patel and Mr. Ajit T. Patel the Non executive directors of the company for the year 2009-10.

6. GENERAL BODY MEETING

The location and time of the last three Annual General Meeting are as under:

AGM	Date	Time	Venue	No. of special resolutions approved
20 th	28-09-2007	11.00 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	3
21 st	30-09-2008	11.00 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	2
22 nd	26.09.2009	11.30 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	-

The Special Resolution indicated above were passed by “show of hands.”

No Extra Ordinary General Meeting Held during the year.

No special resolution was required to be carried out through postal ballot during the last year. No resolution is proposed by postal ballot at the ensuing Annual general meeting.

7. DISCLOSURES

- There were no transactions of material nature with the management or with the directors of the company during the year.
- There was no instance of Non Compliance of any matter related to the capital markets during the last three years.
- The company ensures compliance of various statutory requirements by all its divisions and obtains quarterly reports in the form of certificate from the head of the divisions. These certificates are placed before the board on quarterly basis.
- All the statutory registers that are required to be maintained, particularly Registers of contracts in which Directors have interest, Registers of Directors shareholding, Register of investments etc., are maintained and continuously updated.

8. MEANS OF COMMUNICATION

During the year, quarterly, half yearly and yearly (unaudited) Financial results of the company were submitted to the Stock Exchanges immediately after the Board meeting approved the same and were published in the Economic Times in English and Gujarati News papers.

9. GENERAL SHAREHOLDERS INFORMATION

Financial Year : 1st April, 2010 to 31st March, 2011.
Results for the first quarter ending 30th June, 2010 : Last week of July, 2010

GUJARAT APOLLO INDUSTRIES LIMITED

Financial Calendar (tentative & subject to change)

a) First Quarter Results	: July, 2010
b) Second Quarter Results	: October, 2010
c) Third Quarter Results	: January, 2011
d) Fourth Quarter Results	: April/May, 2011
Annual General Meeting for the year 2009-10	: 24 th September, 2010
Date of Book -Closure	: 18 th September, 2010 to 25 th September, 2010
Dividend Payment date	: The proposed dividend if approved at the AGM will be distributed in the Month of October, 2010
Listing on Stock Exchange	: Bombay Stock Exchange Limited National Stock Exchange of India Limited
Stock Code	: 522217 (BSE) GUJAPOLLO (NSE)

10. MARKET PRICE DATA

The monthly movement of Equity Share prices on BSE during the year is summarized below:

PERIOD	SHARE PRICE OF GAEL	
	HIGHEST (RS.)	LOWEST (RS.)
April' 2009	84.75	55.50
May 2009	121.00	66.00
June, 2009	144.70	110.00
July, 2009	136.65	106.80
August ,2009	149.80	116.00
September, 2009	175.00	140.00
October, 2009	166.50	146.25
November, 2009	180.00	140.40
December, 2009	197.00	170.50
January, 2010	223.70	181.25
February, 2010	208.00	170.80
March, 2010	214.80	190.00

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010

SHAREHOLDINGS NOMINAL VALUE RS.	SHARE HOLDERS		TOTAL NO OF SHARES	
	NUMBERS	% OF TOTAL	SHARES	% OF TOTAL
1 - 500	8988	83.73	1536424	09.27
501 - 1000	772	07.19	598003	03.61
1001 - 2000	464	04.32	660490	03.98
2001- 3000	171	01.59	428267	02.58
3001- 4000	64	00.60	227795	01.37
4001 – 5000	61	00.57	280740	01.69
5001- 10000	84	00.79	608297	03.67
10000 & above	130	01.21	12234984	73.83
TOTAL	10734	100.00	16575000	100.00

12. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2010

Category	No. of Shares	% of Total Shares held
1 Promotors and persons acting in concert	8151114	49.18
2 Mutual Funds	1354201	08.17
3 Banks	187	—
4 FI' s	239498	01.44
5 Foreign Nationals	232851	01.40
6 Bodies Corporate	1374990	08.30
7 Trust & Foundations	5000	00.03
8 Public	5217159	31.48
Total	16575000	100.00

13. SHARE TRANSFER SYSTEM

As per the SEBI's circular dated 27.12.02 and upon the instructions of Stock Exchange, Mumbai, the company has appointed a common agency on a single point for physical and demat registry work. Note for change in R & T. The address of the newly appointed Registrar and Transfer Agent is as under:

Link Intime India Private Limited

211 Sudarshan Complex,
Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad - 390009
Tel No. : 079-26465179 Fax No : 079-26465179

14. DEMATERIALIZATION OF SHARES

The Equity shares of the company are traded compulsorily in the dematerialized form. The company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL), whereby the shareholders have options to dematerialized their shares with either of the depository. Demat ISIN No. for both NSDL and CDSL for the company equity shares is INE826C01016. status of Dematerialization as on 31st March, 2010.

Particulars	No. of shares	% of total Capital	No. of Shareholders
National Securities Depository Ltd.	*11389920	68.72	7047
Central Depository Services(India)Ltd.	4325095	26.09	2912
Physical	859985	05.19	775
GRAND TOTAL	16575000	100.00	10734

15. PLANT LOCATION

Ditasan, Post-Jagudan, State Highway, Mehsana-382 710.

16. ADDRESS FOR CORRESPONDENCE

"APOLLO HOUSE," Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009.

17. DECLARATION

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

(By the Chief Executive Officer of the Company)

In the above regards, I declare as follows:

1. The company does have a code of conduct approved by its board of directors, which would be posted on its website shortly.
2. All the members of the board of directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the code of conduct as applicable to the financial year ended on March 31st 2010.

ANAND A. PATEL
Executive Director
(Signature of the declarant)

GUJARAT APOLLO INDUSTRIES LIMITED

CEO CERTIFICATE

To the Board of Directors,
Gujarat Apollo Industries Ltd.
Ditasan, Post Jagudan, State Highway,
Mehsana - 382 710

I hereby certify that :

I have reviewed the financial statement and the cash flow statements for the year 2009-10 and that to the best of my knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of my knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violent of the Company's Code of Conduct.

I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and I hereby disclose to the auditors and the Audit Committee that there have been no deficiencies in the design or operation of internal controls, prevailing in the Company.

I hereby certify that:

There have been no significant changes in internal control during the year.

There have been no significant changes in accounting policies during the year and

No instances of fraud were observed in the Company by the management or an employee having a significant role in the Company's internal control system.

ANAND A. PATEL
Executive Director
(Signature of the declarant)

CERTIFICATE

To the members of
Gujarat Apollo Industries Limited

We have examined the Compliance of conditions of Corporate Governance Report by Gujarat Apollo Industries Limited for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of the Corporate Governance. 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 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 Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountant of India, we have to state that the Company has maintained records to show investors grievances against the company and have certified that as on 31st March, 2010, there were no investor grievance remaining unattended/ pending for a period exceeding one month.

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

FOR ARVIND A THAKKAR & CO.
Chartered Accountants

Place : Ditasan, Mehsana
Dated : 30th July, 2010

A. A. THAKKAR
Sole Proprietor
Membership No.14334

AUDITORS' REPORT

To,
The Members
GUJARAT APOLLO INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of GUJARAT APOLLO INDUSTRIES LIMITED as at 31st March 2010 and also the Profit and Loss Account and the 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.
2. 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 misstatement. 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.
3. As required by Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet, Profit and Loss and Cash Flow Statement dealt with by this report Company with the accounting standards referred to the sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. on the basis of written representations received from the directors, as on March '2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 271 of the Companies Act, 1956; and
 - vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 Balance Sheet, of the state of affairs of the Company as at 31st March , 2010;
 - b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement , of the cash flows for the year ended on the date.

FOR, ARVIND A THAKKAR & CO.

Chartered Accountants
Firm reg. no. 100571W

Place : Ditasan, Mehsana
Dated : 30-07-2010

A.A. THAKKAR
Sole Proprietor
Membership No.14334

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the Company has formulated a programme of verification by which, all the assets of Company are being verified in the phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on verification conducted during the period as compared with the books records.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) In our opinion and according to the information and explanations give to us, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and accordingly to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) In respect of the loans, secured or unsecured granted or taken by the company to/from:
Companies, firm or other parties covered in the register maintained under section 301 of The Companies Act, 1956
 - a) The Company has given interest-bearing loan to two parties & interest free loan to one party. In respect said loan the maximum amount outstanding at any time during the year is Rupees 3336.33 lacs and year-end balance is Rupees 3066.28 lacs.
 - b) In our opinion and according to information and explanation given to us, terms and condition are not prima facie prejudicial to the interest of the company.
 - c) The said loan was given to associate parties of the company are repayable on demanded there is no repayment schedule.
 - d) In respect of the loan given by the company, the same is repayable on demand and therefore the question of overdue amount does not arise.
 - e) The Company has not taken any loan, secured or unsecured from companies, firm or other parties covered in the register maintained under section 301 of the companies Act,1956.
- (iv) In our opinion and according to the information and explanations give to us, having regard to the explanation that certain items purchased are of specialized nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regards to the sale of goods and services. During the course of our audit we have not observed any major weakness in the internal control.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) To the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and having regard to our comments in paragraph (iv) above, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- (vi) In our opinion and according to the information and explanations give to us, the Company has complied with the provisions of Section 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order under the aforesaid Sections has been passed by the Company Law Board on the Company.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty. were outstanding, at the year end for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, details of dues of sales tax, income tax, custom duty, wealth tax, excise duty, education cess which have not been deposited on account of dispute are as under

NATURE OF DISPUTE	FOR THE YEAR	AMOUNT (Rupees)	AUTHORITY
1) Sales Tax	1997-98	10.35 Lacs	Second Appellate (Hyderabad)
2) Service Tax	2005-2006 2006-2007	12.78 Lacs	Service Tax Appellate Tribunal west .zone (Ahmedabad)

- (x) The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses during the current financial year and immediately preceding financial year.
- (xi) Based on the audit procedures applied by us, and explanations provided by the management, the company has no dues towards banks, financial institutions or debenture holders, and hence, provisions of clause 4(xi) of the order are not applicable to the company.
- (xii) Based on our examination of the records and the information and explanations give to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order. 2003 are not applicable to the Company.
- (xv) The Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not obtained any term loan during the year.
- (xvii) According to the information and explanations given to us, and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company and vice-versa.
- (xviii) During the year under consideration, the Company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, each of the transaction has been made at price; which are not prejudicial to the interest of the company.
- (xix) According to the information and explanation given to us, the Company has not issued any debenture during the year and no outstanding at the year end.
- (xx) As informed to us, during the period covered by our audit report, the Company has not raised any money by public issues.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true end fair view of the financial statements and as per the information and explanations given by the management, which have been relied upon by us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

FOR ARVIND A THAKKAR & CO.

Chartered Accountants
Firm reg. no. 100571W
A.A. THAKKAR
Sole Proprietor
Membership No.14334

Place : Ditasan, Mehsana
Dated : 30-07-2010

GUJARAT APOLLO INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
I SOURCES OF FUNDS:					
a) Shareholders' Funds					
[I] Share Capital	A	16,57,50,000		15,75,00,000	
[II] Reserves and Surplus	B	1,26,97,60,340		95,81,48,937	
[III] Up-front payment against Share warrant		0		99,00,000	
			<u>1,43,55,10,340</u>	<u>1,12,55,48,937</u>	
b) Loan Funds:					
[I] Secured Loans	C	20,38,11,307		10,28,37,907	
[II] Unsecured Loans	D	17,55,79,257		9,17,96,330	
			<u>37,93,90,564</u>	<u>19,46,34,237</u>	
c) Deferred Tax Liability					
			<u>3,20,75,086</u>	<u>2,16,29,758</u>	
TOTAL			<u><u>1,84,69,75,990</u></u>	<u><u>1,34,18,12,932</u></u>	
II APPLICATION OF FUNDS:					
a) Fixed Assets					
[I] Gross Block	E	62,96,50,767		37,43,74,862	
[II] Less: Depreciation		11,87,62,367		9,92,40,544	
[III] Net Block		<u>51,08,88,400</u>		<u>27,51,34,318</u>	
[IV] Capital Work in Progress		7,78,36,143	58,87,24,543	8,68,75,181	36,20,09,499
b) Investments					
	F		<u>15,39,99,134</u>		<u>14,66,30,365</u>
c) Current Assets, Loans and Advances					
[I] Inventories	G	37,08,51,361		30,30,12,387	
[II] Sundry Debtors	H	38,51,21,468		21,25,71,863	
[III] Cash and Bank Balances	I	8,69,87,236		6,45,86,370	
[IV] Loans & Advances	J	48,87,54,654		46,16,23,030	
		<u>1,33,17,14,719</u>		<u>1,04,17,93,650</u>	
Less: Current Liabilities and Provisions					
[I] Current Liabilities	K	17,89,82,603		17,13,17,157	
[II] Provisions	L	4,84,79,803		3,73,03,425	
			<u>22,74,62,406</u>	<u>20,86,20,582</u>	
Net Current Assets			<u><u>1,10,42,52,313</u></u>	<u><u>83,31,73,068</u></u>	
TOTAL			<u><u>1,84,69,75,990</u></u>	<u><u>1,34,18,12,932</u></u>	
Note on accounts & accounting policies	S				

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditason, Mehsana

Dated: July 30, 2010

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Ditason, Mehsana

Dated: July 30, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
INCOME					
Gross Sales	M	2,14,16,32,586		1,81,24,24,023	
Less : Excise duty		<u>12,47,50,038</u>		<u>14,14,07,071</u>	
			2,01,68,82,548		1,67,10,16,952
Other Income			3,31,66,970		<u>2,80,54,211</u>
Total			2,05,00,49,518		<u>1,69,90,71,163</u>
EXPENDITURE:					
Material Cost	N	1,15,78,74,870		95,35,70,908	
Manufacturing expenses	O	9,79,59,905		10,97,50,372	
Employees cost	P	7,13,41,790		5,43,28,640	
Sales Tax & VAT		5,46,72,814		4,88,17,826	
Administrative and other expenses	Q	11,70,16,268		8,05,92,578	
Selling and Distribution expenses	R	<u>10,27,72,848</u>		<u>9,54,40,398</u>	
			1,60,16,38,495		<u>1,34,25,00,722</u>
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES			44,84,11,023		<u>35,65,70,441</u>
Interest		1,26,85,280		1,46,79,203	
Depreciation		<u>2,14,39,209</u>		<u>1,82,77,879</u>	
			3,41,24,489		<u>3,29,57,082</u>
PROFIT BEFORE TAX			41,42,86,534		<u>32,36,13,359</u>
Provision for taxation		13,45,00,000		10,50,00,000	
Provision for Fringe Benefit Tax		0		20,00,000	
Deffered tax liability (Net)		<u>1,04,45,328</u>		<u>3,97,075</u>	
			14,49,45,328		<u>10,73,97,075</u>
PROFIT AFTER TAX			26,93,41,206		<u>21,62,16,284</u>
Add : Balance brought forward from previous year			<u>11,06,48,937</u>		<u>13,12,86,078</u>
AMOUNT AVAILABLE FOR APPROPRIATION			37,99,90,143		<u>34,75,02,362</u>
APPROPRIATION:					
[i] General Reserve			15,00,00,000		20,00,00,000
[ii] Proposed Dividend			4,14,37,500		3,15,00,000
[iii] Tax on Proposed Dividend			70,42,303		53,53,425
[iv] Balance Carried to Balance Sheet			<u>18,15,10,340</u>		<u>11,06,48,937</u>
TOTAL			37,99,90,143		<u>34,75,02,362</u>
Earning per share basic			16.43		13.73
Earning per share diluted			16.25		13.73
Notes on accounts & accounting policies	S				

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditasan, Mehsana

Dated: July 30, 2010

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Ditasan, Mehsana

Dated: July 30, 2010

GUJARAT APOLLO INDUSTRIES LIMITED

**CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT
FOR THE YEAR ENDED 31ST MARCH, 2010**

	31-03-2010 Rupees	31-03-2009 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra ordinary items	41,42,86,534	32,36,13,359
Adjustment for :		
Depreciation	2,14,39,209	1,82,77,879
Interest	1,26,85,280	1,46,79,203
Profit/Loss on Sales of Fixed Assets (Net)	19,76,929	2,14,972
Profit on sale of Investments, Interest & Other Income	(3,31,66,970)	(28,054,211)
Provision for taxation (Net)	(13,45,00,000)	(10,70,00,000)
Operating Profit before working capital changes	28,27,20,982	22,17,31,202
Adjustment for :		
Trade & other receivables	(17,25,49,605)	3,84,62,223
Inventories	(6,78,38,974)	(3,79,70,153)
Loans & Advances	(2,71,31,624)	(24,80,55,047)
Current liabilities	76,65,446	1,00,57,301
Cash generated from operations	2,28,66,224	(1,57,74,474)
Direct taxes / provisions (Net)	1,11,76,378	(71,39,809)
Net Cash from operating activities (A)	3,40,42,602	(2,29,14,283)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital Work in Progress	(25,23,92,872)	(11,16,94,417)
Sales of fixed Assets	22,61,690	2,75,500
Sales & Purchase of Investments (Net off)	(73,68,768)	14,99,66,069
Sales of Investments & Other Income	72,43,160	66,92,125
Interest Received	2,59,23,810	2,13,62,086
Net Cash used in Investing Activities (B)	(22,43,32,979)	6,66,01,363
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in cash credit	11,14,71,961	(8,79,55,688)
Increase/(Decrease) in term loan	(1,04,98,561)	(38,81,022)
Receipt/(Repayment) of loans/deposits	8,37,82,927	(1,86,45,080)
Up-front payment against Share warrant	(99,00,000)	0
Increase in Share Capital	55,00,000	0
Share Premium Received	9,35,00,000	0
Interest paid	(1,26,85,280)	(1,46,79,203)
Dividend and tax there on	(4,84,79,803)	(3,68,53,425)
Net Cash (used) Generated in Financing Activities (C)	21,26,91,244	(16,20,14,419)
Net increase in Cash & Cash Equivalent (A+B+C)	2,24,00,867	(11,83,27,339)
Opening Cash & Cash Equivalent-Opening Balance	6,45,86,369	18,29,13,708
Closing cash & Cash Equivalent-Closing Balance	8,69,87,236	6,45,86,369

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditasan, Mehsana

Dated: July 30, 2010

Suresh Shah

Company Secretary

For & on behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Ditasan, Mehsana

Dated: July 30, 2010

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-A : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
20000000 Equity shares of Rs. 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
16575000 Equity Shares of Rs. 10/- each fully paid up (Out of which 12525000 Equity Shares issued as bonus shares.) (Previous Year 15750000 Equity Share out of which 12250000 Equity Share issued as a Bonus Share)	16,57,50,000	15,75,00,000
TOTAL	<u>16,57,50,000</u>	<u>15,75,00,000</u>
 SCHEDULE-B : RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	84,75,00,000	70,00,00,000
Less : Transferred to Equity Capital against bonus shares	27,50,000	5,25,00,000
Add : Transferred from Profit and Loss Account	15,00,00,000	20,00,00,000
	<u>99,47,50,000</u>	84,75,00,000
Profit and Loss Account	18,15,10,340	11,06,48,937
Security Premium Account	9,35,00,000	0
TOTAL	<u>1,26,97,60,340</u>	<u>95,81,48,937</u>
 SCHEDULE-C : SECURED LOANS		
(a) Term Loan		
From State Bank of India (including FCNR facility) (Above loan is secured by way of equitable mortgage by deposit of title deeds of Company's Properties with SBI and hypothecation of Plant and Machinery situated at Company's works)	0	1,04,98,561
(b) Cash Credit		
From State Bank of India (Above borrowings for working capital are secured by hypothecation of raw material, stock in process, finished goods, consumable stores and tools and book debts. These borrowings have been guaranteed by two Directors of the company and are further the secured by second charge on movable and immovable properties.)	20,38,11,307	9,23,39,346
TOTAL	<u>20,38,11,307</u>	<u>10,28,37,907</u>
 SCHEDULE-D : UNSECURED LOANS		
From Shareholders	11,14,80,000	5,17,25,000
From Public	5,50,98,000	3,94,93,000
From Corporate bodies	6,01,257	5,78,330
From Directors	84,00,000	0
TOTAL	<u>17,55,79,257</u>	<u>9,17,96,330</u>

GUJARAT APOLLO INDUSTRIES LIMITED

SCHEDULE "E" FIXED ASSETS

Sr. No.	Assets Description	GROSS BLOCK (AT COST)				DEPRECIATION / IMPAIRMENT				NET BLOCK	
		As on 01.04.2009 Rupees	Additions During the year Rupees	Deduction During the year Rupees	Total As on 31-3-2010 Rupees	Upto 31-03-2009 Rupees	Deduction during the year Rupees	For the year 2009-2010 Rupees	Total as on 31-3-2010 Rupees	As on 31-3-2010 Rupees	As on 31-3-2009 Rupees
1	Freehold Land	16,469,341	113,034,388	0	129,503,729	0	0	0	0	129,503,729	16,469,341
2	Office Premises	30,626,492	0	0	30,626,492	2,633,638	0	499,212	3,132,850	27,493,642	27,992,854
3	Factory Building	77,236,963	62,925,860	0	140,162,823	14,257,924	0	2,818,701	17,076,625	123,086,198	62,979,039
4	Worker's Quarters	10,583,127	0	0	10,583,127	176,207	0	172,505	348,712	10,234,415	10,406,920
5	Plant & Machinery	155,948,873	62,110,772	1,912,000	216,147,645	49,920,865	362,969	7,554,481	57,112,377	159,035,268	106,028,010
6	Electrical Installation	3,097,332	3,848,974	0	6,946,306	2,393,250	0	159,645	2,552,895	4,393,411	704,082
7	Furniture & Fixtures	16,227,992	3,618,076	0	19,846,068	5,938,819	0	1,049,345	6,988,164	12,857,904	10,289,172
8	Office Equipments	17,800,167	5,816,317	20,380	23,596,104	7,302,711	209	2,157,880	9,460,382	14,135,722	10,497,455
9	Vehicles	19,792,363	4,784,975	4,223,625	20,353,714	5,299,469	1,554,208	1,936,271	5,681,533	14,672,181	14,492,894
	Total Tangible Assets (A)	347,782,651	256,139,363	6,156,005	597,766,009	87,922,884	1,917,386	16,348,041	102,353,539	495,412,470	259,859,767
1	Technical Know-how	17,711,636	4,207,500	0	21,919,136	8,272,979	0	3,612,395	11,885,374	10,033,762	9,438,657
2	Capitalized Software	8,880,576	1,085,047	0	9,965,622	3,044,682	0	1,478,773	4,523,454	5,442,168	5,835,894
	Total Intangible Assets (B)	26,592,211	5,292,547	0	31,884,758	11,317,660	0	5,091,168	16,408,828	15,475,930	15,274,551
	Total Assets=(A)+(B)	374,374,862	261,431,910	6,156,005	629,650,767	99,240,544	1,917,386	21,439,209	118,762,367	510,888,400	275,134,319
	Total Rupees (Previous Year)	293,340,318	82,001,467	966,923	374,374,862	81,439,117	476,452	18,277,879	99,240,544	275,134,319	211,901,201

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-F : INVESTMENTS		
(A) Long Term (All Unquoted at Cost)		
1. In 13160 (PY 13160) Bonds of Sardar Sarovar Narmada Nigam Ltd.	13,16,000	13,16,000
2. Equity Shares of subsidiary/Associate companies:		
a. 1019990 (PY 1019990) Equity shares of Apollo Earthmovers Ltd. of Rs. 10/- each fully paid-up	13,25,33,000	13,25,33,000
b. Investment in - Apollo Maschinenbau GmbH, Germany	30,29,500	0
3. In other companies		
a. 20000 (PY 20000) Equity shares of Rs.10/- each fully paid up of Apollo Construction Equipments Pvt. Ltd.	1,20,30,000	1,20,30,000
b. Investment in - Partership Firm (Apollo Quarry Works)	45,00,000	0
(B) CURRENT INVESTMENT		
a. In 50000 units (PY 50000) of S B I Infrastructure Fund	5,00,000	5,00,000
b. In 9034 (PY 18518) units of S B I Premier Fund	90,634	2,51,365
TOTAL	<u>15,39,99,134</u>	<u>14,66,30,365</u>
SCHEDULE -G : INVENTORIES		
(As per inventory taken, valued and certified by Management)		
Raw Material and bought out spares	20,68,16,784	12,51,24,189
Scrap (Estimated value)	6,02,813	1,39,689
Stores & tools	46,73,999	52,42,969
Semi finished goods	9,99,76,461	10,31,43,500
Finished goods	5,87,81,304	6,93,62,040
TOTAL	<u>37,08,51,361</u>	<u>30,30,12,387</u>
SCHEDULE-H : SUNDRY DEBTORS		
(Unsecured, Unconfirmed, Considered good)		
Outstanding exceeding six months	12,01,75,483	11,41,66,557
Others	29,48,65,613	13,04,00,776
	<u>41,50,41,096</u>	<u>24,45,67,333</u>
Less: Unaccrued sales (cumulative)	2,99,19,628	3,19,95,470
TOTAL	<u>38,51,21,468</u>	<u>21,25,71,863</u>
SCHEDULE-I : CASH AND BANK BALANCES		
Cash and cheques on hand	25,07,150	22,72,304
Balance with Scheduled Banks in current accounts	6,14,80,086	3,93,14,066
Fixed Deposit with Scheduled Banks	2,30,00,000	2,30,00,000
TOTAL	<u>8,69,87,236</u>	<u>6,45,86,370</u>
SCHEDULE- J : LOANS AND ADVANCES		
(Unsecured, Unconfirmed, Considered good)		
Advances recoverable in cash or in kind or for value to be received	14,33,18,017	10,71,74,005
Deposits	2,77,06,691	2,56,94,151
Inter Corporate Deposits	31,10,11,091	30,95,80,956
Advance Income Tax Net off Provision	67,18,855	1,91,73,918
TOTAL	<u>48,87,54,654</u>	<u>46,16,23,030</u>

GUJARAT APOLLO INDUSTRIES LIMITED

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-K : CURRENT LIABILITIES		
Sundry Creditors	13,99,86,154	9,69,02,025
Unpaid Dividend	24,00,670	25,52,192
Advances against orders	3,65,95,779	7,18,62,940
TOTAL	<u>17,89,82,603</u>	<u>17,13,17,157</u>

SCHEDULE-L : PROVISIONS

Provision for Fringe Benefit Tax (Net)	0	4,50,000
Provision for Dividend & Dividend tax	4,84,79,803	3,68,53,425
TOTAL	<u>4,84,79,803</u>	<u>3,73,03,425</u>

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-M : SALES AND OTHER RECEIPT		
Sales (Gross) & Other Operating Income	2,13,61,96,447	1,79,06,79,505
Contract Receipts	54,36,139	2,17,44,518
TOTAL	<u>2,14,16,32,586</u>	<u>1,81,24,24,023</u>

SCHEDULE -N : MATERIAL COST

(A) Raw Materials and Consumables

Opening Stock	12,51,24,189	15,11,94,651
Add: Purchases	1,22,62,82,814	99,17,02,180
Total	1,35,14,07,003	1,14,28,96,831
Less: Closing stock	20,68,16,784	12,51,24,189
Sub Total	<u>1,14,45,90,219</u>	<u>1,01,77,72,642</u>

(B) Movement in value of finished/trading goods and work-in-progress

Opening Stock	17,26,45,229	10,84,43,495
Closing Stock	15,93,60,578	17,26,45,229
(Increase)/Decrease	1,32,84,651	-6,42,01,734
Total (A+B)	<u>1,15,78,74,870</u>	<u>95,35,70,908</u>

SCHEDULE -O : MANUFACTURING EXPENSES

Stores & Tools consumed	3,53,15,717	3,29,52,550
Power & Fuel	68,10,962	50,32,153
Labour charges	3,22,69,516	2,78,60,673
Factory expenses	1,18,00,030	92,80,404
Transportation, Cartage and Octroi (inward)	22,80,835	83,37,238
Repairs to Plant & Machinery	38,20,055	37,69,353
Repairs to Factory Building	4,55,309	5,24,652
Royalty	97,123	2,30,969
Sub contract charges	51,10,358	2,17,62,380
TOTAL	<u>9,79,59,905</u>	<u>10,97,50,372</u>

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-P : EMPLOYEES COST		
Salaries and wages	6,08,35,954	4,55,56,223
Contribution to Provident Fund	26,20,890	25,52,911
Staff Welfare	49,10,512	30,92,402
Bonus and Gratuity	29,74,434	31,27,104
TOTAL	<u>7,13,41,790</u>	<u>5,43,28,640</u>
 SCHEDULE-Q : ADMINISTRATIVE EXPENSES		
Office and administrative expenses	76,95,096	59,49,530
Postage, telephone and telex expenses	54,83,440	47,60,402
Travelling and conveyance	1,11,34,566	1,03,15,304
Stationary and printing expenses	11,89,214	13,30,523
Bank charges and commission	56,31,273	71,35,100
Professional charges	1,90,41,092	1,83,83,983
Miscellaneous expenses	97,52,708	36,29,088
Insurance premium	12,61,372	29,06,935
Vehicle running and maintenance	34,47,122	33,15,711
Director's remuneration	1,85,76,114	1,48,33,312
Exchange Rate Difference	2,06,05,239	51,09,544
Bad Debts written off (Net off bad debts recovered)	1,12,22,103	27,08,174
Loss on sale of assets/shares (Net)	19,76,929	2,14,972
TOTAL	<u>11,70,16,268</u>	<u>8,05,92,578</u>
 SCHEDULE-R : SELLING AND DISTRIBUTION EXPENSES		
Erection and after sales service	2,72,09,751	2,03,67,362
Advertisement and sale promotion	82,00,409	81,80,358
Commission on sales	2,15,19,790	1,65,88,392
Freight outward	4,44,28,099	4,88,59,232
Packing & forwarding expenses	14,14,799	14,45,054
TOTAL	<u>10,27,72,848</u>	<u>9,54,40,398</u>

GUJARAT APOLLO INDUSTRIES LIMITED

SCHEDULE -S

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH '2010

1. Significant Accounting Policies

1.1 Convention and Basis of Preparation of Financial Statements

These financial statements have been prepared on the accrual basis of accounting as per double entry system, under the historical cost convention. A summary of accounting policies, which have been applied consistently, is set out below. The financial statement have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956 and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

1.2 Fixed Assets

Cost of fixed assets comprises purchase price, duties levies and any directly attributable cost of bringing the asset to its working conditions for the intended use. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to completion of their acquisition or construction are included in the book value of the assets.

All costs relating to upgradations/enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature.

Cenvat claimed on fixed assets is reduced from the cost of respective assets.

1.3. Intangible Assets

Software, where it is expected to provide future enduring benefits, is capitalized. Capitalization costs include license fees and costs of implementation / system integration services. The costs are capitalized in the year in which the relevant software is implemented for use.

1.4 Depreciation/Amortization/Impairment

Depreciation on assets (except intangible assets) is provided in a manner that amortizes the cost of the asset after commissioning, on the straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. On additions and disposals, depreciation is provided for the period of use during the year. There is no lease hold property with the company and hence question of amortization does not arise.

Technical know-how is amortized over a period of four years on straight line basis.

Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.5 Investments

Current Investments are stated at lower of cost and fair value and Long-term investments are valued at cost. Provision is made for any permanent diminution in the value of investments.

1.6 Inventories

Inventories of raw materials and components, work-in-progress and stock-in-trade are valued at the lower of cost and net realizable value. Cost is ascertained on a moving weighted average. The costs of work-in-progress and finished goods is determined on full absorption cost basis.

1.7 Employees Benefits

i. Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund maintained with Life Insurance Corporation of India. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

ii. Provident fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make, monthly contribution at a specified percentage of the covered employees' salary. The contributions as specified under the law are paid to the provident fund and pension fund to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme.

iii. Compensated absences:

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulated leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date. The Company makes contributions to leave encashment fund maintained with Life Insurance Corporation of India. The Company accounts for the liability for benefits payable in future based on an independent actuarial valuation.

1.8 Revenue Recognition

Sales are recorded net of trade discount, rebates and include excise duty. Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Incomes from services are recognized based on agreements/ arrangements with the concerned parties.

Dividend income is recognized when the right to receive dividends is established.

Interest income is recognized on the time proportion method.

1.9 Taxation

Tax expenses comprises of current, and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

1.10 Foreign Currency Transactions

Foreign currency transactions (including booking/cancellation of forward contracts) are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities (including forward contract) in foreign currency are translated at year end rates. Exchange differences arising on settlement of transactions and translations of monetary items (including forward contracts) are recognized as income or expense.

1.11 Borrowing Cost

Borrowing cost attributable to acquisition to, construction or production of qualifying asset are capitalized as part of the cost of that asset, till the month in which asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

GUJARAT APOLLO INDUSTRIES LIMITED

1.12 Contingent liabilities and provisions:

Contingent Liabilities are possible but not probable obligation as on the Balance Sheet date, based on the available evidence.

Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities.

Provisions are recognized when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

2. Earnings Per Share :

	<u>31.03.2010</u>	31.03.2009
a) Total number of equity shares outstanding at the end of the year	1,65,75,000	1,57,50,000
b) Net profit after tax available for equity Shareholders (in Rupees)	26,93,41,206	21,62,16,284
c) Basic and Diluted Earnings (in Rupees) per share	16.43	13.73
d) Diluted Earnings (in Rupees) per share	16.25	13.73

3. Deferred Tax

The break up of net deferred tax liability as at 31 March 2010 is as under.

A. Deferred Tax Liability Related to Fixed Assets :	2,16,29,758	2,12,32,683
B. Deferred Tax Assets: Disallowance under Section 43B of the Income Tax Act, 1961	1,04,45,328	3,97,075
C. Deferred Tax Liability (net)	3,20,75,086	2,16,29,758

4. ALLOTMENT OF EQUITY SHARES

The Company had allotted 8,25,000 Shares (including 2,75,000 by way of bonus on 5,50,000 convertible warrants) on 20th June '2009 on preferential basis, to various share holders. Warrant money received for the aforesaid options of Rs 990 lacs has been appropriated towards the share capital Rs 55 lacs and share premium account Rs 935 lacs on allotment of shares. The shares rank pari passu in all respect with the existing equity shares of the company.

5. Quantitative Details as per Para-III and IV of Schedule VI of Companies Act, 1956

Additional information in respect of quantitative details required to be given under Para-III and IV of Schedule VI of Companies Act, 1956 (as certified by Managing Director)

- License Capacity: The company products are exempt from license requirement under the Industrial policy by virtue of notification No. 477(E) of 25.07.1991
- Installed capacities – 300 Nos. (As certified by the Management, but not verified by the Auditors, being a technical matter).

	<u>2009-2010</u>		<u>2008-2009</u>		
	<u>Qty.</u>	<u>Value</u>	<u>Qty.</u>	<u>Value</u>	
c) Production of road construction & maintenance machinery	241		261		
d) Sales :					
Manufacturing & trading activities:					
i) Road Construction and maintenance machinery	268	1,93,48,56,524	232	1,56,47,61,435	
ii) Spares and Others	*	18,71,58,886	*	20,47,86,145	
		2,12,20,14,410	*	1,76,95,47,580	
e) RAW MATERIALS CONSUMED AND SPARES PURCHASE :					
	<u>Unit</u>	<u>Quantity</u>	<u>Rupees</u>	<u>Quantity</u>	<u>Rupees</u>
I. IRON & STEEL:					
Mild Steel	MT.	9984	32,37,43,405	7040	29,26,51,686
M S Pipe	Mtr.	118980	2,66,29,560	96027	2,28,87,249
II. Spares	Lot	*	79,42,17,254	*	70,22,33,707
Total			1,14,45,90,219		1,01,77,72,642

For the purpose of para 4D(c) of part II of schedule VI of the Companies Act, components and spare parts are assumed to mean those incorporated in the product finally sold and not those used as spares for the repairs and maintenance of plant and machinery.

* Since the quantity denomination and type of components are dissimilar in nature, it would be impracticable to disclose the quantitative information in respect thereof

Particulars	31.03.2010		31.03.2009	
	Quantity	Rupees	Quantity	Rupees
f. Opening stock of road construction & maintenance machinery	9	6,93,62,040	6	5,48,82,932
g. Closing stock of road construction & maintenance machinery & Spares ("this includes one unit crusher which was sold in 2008-09 and returned in current year" and includes spares of Rs 4,29,12,241 for current year and Rs 3,36,84,152 of previous year which are not quantified)	3	5,87,81,304	9	6,93,62,040

Value of imported & indigenous raw material consumed and their percentage :

Particulars	31.03.2010		31.03.2009	
	%	Amount	%	Amount
Imported	11.21	12,82,20,200	11.33	11,56,62,403
Indigenous	88.79	1,01,63,70,019	88.67	90,21,10,239
Total	100.00	1,14,45,90,219	100.00	1,01,77,72,642
			31.03.2010	31.03.2009
			Rupees	Rupees

6. Earnings in Foreign Exchange (on accrual basis) :

A. Export of Goods:		
i. Direct on FOB basis	34,82,31,045	37,34,21,119
ii. Deemed Exports	5,27,34,000	2,85,85,221

7. Value of imports on CIF basis (on accrual basis) :

Raw Material & Components	6,56,17,066	7,84,76,896
Capital Goods	4,72,16,130	38,75,713

8. Expenditure in foreign currency (on accrual basis) :

Traveling, After Sales Service Expenses and other expenses	83,53,684	47,00,133
Commission & other business promotional expenses	1,86,09,839	1,56,91,671
Technical Know-how & Royalty	43,04,623	41,09,922

9. Contingent liabilities:

i. In respect of Bank Guarantees issued by Banks	2,94,23,444	5,21,36,952
ii. In respect of Letter of Credit issued by Banks	2,82,84,436	NIL
iii. Export Bills discounted	NIL	3,66,44,135
iv. Director General, Foreign Trade, Demand not acknowledge by the company	1,60,96,767	1,60,96,767
v. In respect of Sales Tax and Service Tax Demand	23,13,000	10,35,400
VI. Liability on account of non fulfillment under EPCG Scheme (the same has not been provided in the books as Company is of opinion that the required exports would be made in stipulated time as prescribed in the scheme)	75,62,540	NIL
VII. Claims against the Company not acknowledge at debts	12,81,902	NIL

GUJARAT APOLLO INDUSTRIES LIMITED

10. Auditors' Remuneration (Excluding service tax)

i. Audit Fees	2,50,000	2,00,000
ii. Other Services	1,50,000	1,25,000
iii. Reimbursement of out of pocket expenses	32,589	26,394
Total	<u>4,32,589</u>	<u>3,51,394</u>

11. The confirmation of some of the parties for the amount due to them/amount due from them as per the books of accounts is not reconciled. Necessary adjustment, if any, will be made when the Accounts are Reconcile / Settled.

12. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small And Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid As at the year end together with interest payable as required under the said Act have not been given.

13. (a) Managerial remuneration paid/payable to Directors in pursuant to Section 269 read with Schedule XIII of the Companies Act, 1956:

	2009-2010 Rupees	2008-2009 Rupees
Remuneration	27,85,000	25,25,000
Commission on Net Profit	1,54,60,514	1,20,05,312
Provident Fund Contribution	3,30,600	3,03,000
TOTAL	<u>1,85,76,114</u>	<u>1,48,33,312</u>

B) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and the Commission payable to Directors:

	2009-2010 Rupees	2008-2009 Rupees
(a) Profit before taxation	41,42,86,534	32,36,13,359
(b) Add: Managerial Remuneration Loss on Sale of Assets	1,85,76,114 19,76,929	1,48,33,312 2,14,972
(c) Sub total (a) + (b)	43,48,39,577	33,86,61,643
Less: 1. Interest & Rent received 2. Dividend received	3,23,40,365 5,25,837	2,40,88,586 24,34,951
(d) Net profit as per Section 349 of the Companies Act, 1956 Commission payable to Managing Director @2% & 1% to Executive Director and 1% to Non-Executive Directors for the year	40,19,73,375 <u>1,54,60,514</u>	31,21,38,106 <u>1,20,05,312</u>

14. Segment Reporting:

- (i) The company has primarily one business segment "Road Construction And Maintenance Machineries" The company's operations are solely situated in India.
- (ii) The secondary segment is based on geographical demarcation i.e. India and rest of the world .Information about secondary segment are as follows:

SALES	2009-10 Rupees	2008-09 Rupees
Export	34,82,31,045	37,34,21,119
Domestic	1,79,34,01,541	1,43,90,02,904
Total	<u>2,14,16,32,586</u>	<u>1,81,24,24,023</u>

15. Previous year figures

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to confirm to this year's classification. Figures in brackets relate to previous year.

16. Disclosures as per AS-15:

The disclosures as per the Notified AS 15 under the Companies (Accounting Standards) Rules, 2006 on "Employee Benefits", are as follows:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (taking last drawn salary as a base) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. The future contribution payable by the company under the Gratuity Scheme is currently not ascertainable.

Details of Provision for Gratuity :

Particulars	2009-10 (Rs)	2008-09 (Rs)
Defined Benefit Obligation	84,85,983	88,70,939
Fair Value of Plan Assets	1,05,33,686	1,06,44,329
Plan (Assets) Liabilities	(20,47,703)	(17,73,390)
Change in defined benefit obligation		
Present Value of Obligation as at beginning of year	88,70,939	77,18,578
Current Service Cost	12,62,158	10,33,785
Interest Cost	7,09,675	6,17,486
Actuarial (Gain)/Loss on obligation	(12,41,074)	(15,338)
Benefit Paid	11,15,715	4,83,572
Defined Benefit Obligation, end of the year	84,85,983	88,70,939
Change in fair value of Plan Assets		
Fair Value of Plan Assets, At beginning of the year	1,06,44,329	98,21,512
Expected return on plan assets	9,55,199	8,84,914
Contribution by Employer	1,75,232	4,21,475
Benefit Paid	(12,41,074)	(4,83,572)
Actuarial (Gain)/Loss on plan assets	NIL	NIL
Fair Value of Plan assets at the end of year	1,05,33,686	1,06,44,329
Net Period Gratuity Cost		
Current Service Cost	12,62,158	10,33,785
Interest Cost on Benefit obligation	7,09,675	6,17,486
Net Actuarial (Gain)/Loss recognized in the year	(12,41,074)	(15,338)
Expected return on plan assets	9,55,199	8,84,914
Net benefit Expenses	(2,24,440)	7,51,019
The major categories of plan assets as a percentage of the fair value of total plan assets is as follows:		
Investment with Insurer (Life Insurance Corporation of India)		
Assumptions:		
Discount rate		8 %
Expected rate of return on plan assets		8 %
Employee Turnover		1% to 3 %

GUJARAT APOLLO INDUSTRIES LIMITED

17. A. Related Party Disclosures :

List of related parties with whom transactions have taken place during the year

i Subsidiaries & Associates

Name of the related parties.	Nature of the relationship
(a) Apollo Industries & Projects Limited.	Associate
(b) Apollo Earthmovers Limited.	Subsidiary
(c) Apollo Industrial Products Limited.	Fellow-Subsidiary
(d) Circuit Systems India Limited.	Associate
(e) Apollo Maschinenbau Gmbh, Germany	Subsidiary
(f) Apollo Quarry Works	Associate
(g) Zam Zam Export Limited.	Associate

ii Key Managerial Personnel

(a) Mr. Asit A. Patel	Managing Director
(b) Mr. Anand A Patel	Executive Director
(c) Mr. Anil T. Patel	Director
(d) Mr. Ajit T Patel	Director
(e) Mr. Manibhai V. Patel	Director

18. Transactions with related parties (Figures in bracket are of the previous year):

In Rupees

Particulars	Associates	Subsidiary & Fellow subsidiary	Key Managerial Personnel
a) Sales, Services and other income	2,05,76,598 (NIL)	12,24,78,731 (46,69,421)	NIL (NIL)
b) Purchase of Raw Material and Components	NIL (NIL)	4,10,54,600 (1,03,27,905)	NIL (NIL)
c) Interest & Other Expenditures & Services	6,67,725 (NIL)	NIL (30,00,000)	NIL (NIL)
d) Inter Corporate Deposits placed with related parties	2,60,00,000 (20,30,56,250)	2,69,62,550 (NIL)	NIL (NIL)
e) Interest income from related parties	2,90,44,935 (2,29,75,463)	NIL (55,983)	NIL (NIL)
f) Salary & Commission on profit	NA	NA	1,85,76,114 (1,48,33,312)
g) Purchase of Capital Assets	NIL	NIL	10,67,32,000 (NIL)
h) Outstanding balances as at 31 March '2010			
I. Due to company:	1,69,76,592 (NIL)	8,95,17,311 (27,63,139)	NIL (NIL)
II. Payable by company	6,67,725 (NIL)	NIL (17,31,662)	3,41,531 (3,41,531)
III. Inter corporate Deposit receivable	27,96,65,026 (30,25,24,584)	2,69,62,550 (NIL)	NIL (NIL)

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditasa, Mehsana

Dated: July 30, 2010

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Ditasa, Mehsana
Dated: July 30, 2010

**Additional Information pursuant to Part-IV of Schedule VI to Companies Act, 1956:
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS

Registration No. State Code

Balance Sheet Date

Date Month Year

II. CAPITAL RAISED DURING THE YEAR

Public Issue Rights Issue

Bonus Issue Private Placement

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUND (IN RS.)

Total Liabilities Total Assets

Sources of Funds

Application of Funds

Paid-up Capital Net Fixed Assets

Reserves & Surplus Investments

Secured Loans Net Current Assets

Unsecured Loans Misc. Expenditure

Deffered Tax Liability Accumulated Losses

IV. PERFORMANCE OF COMPANY (IN RS.)

Turnover Total Expenditure

Profit Before Tax Profit After Tax

Earning Per Share Dividend per share

V. GENERIC NAMES OF PRINCIPAL PRODUCTS OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) :

Products Description :

Signatures to Schedule 'A' to 'S'

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditason, Mehsana

Dated: July 30, 2010

For & on behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Ditason, Mehsana
Dated: July 30, 2010

GUJARAT APOLLO INDUSTRIES LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1958 RELATING TO SUBSIDIARY COMPANIES

[Rs. in Lacs]

1	Name of the Subsidiary Company	Apollo Earthmovers Ltd.	Apollo Industrial Products Ltd.	Apollo Maschinenbau Gmbh
2	Financial year of the subsidiary ended on	31st March, 2010	31st March, 2010	31st March, 2010
3	Number of Shares held	10,19,990 (10,19,990 Equity shares of Rs.10/- each fully paid)	3,40,000 (3,40,000 Equity Shares of Rs.10/- each fully paid)	Not Applicable (Investment of Euro 50000 in Company)
4	Extent of Holding	85%	85%	100%
	Currency	Indian Rupees	Indian Rupees	Euro
5	Profit/(Losses) so far it concerns the members of the holding company and not dealt with the books of Accounts of the Holding Company (Except to the extent dealt with in Raw.6)	NIL	NIL	NIL
6	Profit/(Losses) so far it concerns the members of the holding company and not dealt with the books of Accounts of the Holding Company.	4,67,70,702	1,26,68,610	9,667
7	Profit/(Losses) so far it concerns the members of the holding company and dealt with the books of Accounts of the Holding Company (Except to the extent dealt with in Raw.8)	NIL	NIL	NIL
8	Profit/(Losses) so far it concerns the members of the holding company and dealt with the books of Accounts of the Holding Company.	NIL	NIL	NIL

For & On behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Place : Ditasan, Mehsana
Dated : July 30, 2010

Suresh Shah
Company Secretary

(Certified translation from German)

ANNUAL FINANCIAL STATEMENTS

as of
March 31, 2010

Apollo Maschinenbau GmbH

Grunauer Fenn 44
14712 Rathenow

Fiscal Authorities : Nauen
Tax No. 051/105/1929

Freund & Partner GmbH
Steuerberatungsgesellschaft
[tax advising company]
14712 Rathenow
Ferdinand-Lassalle-Strabe 11
Phone : 03385/53 88-0
Fax : 03385/53 88-20

GUJARAT APOLLO INDUSTRIES LIMITED

(Certified translation from German)

Apollo Maschinenbau GmbH, Grunauer Fenn 44, 14712 Rathenow

BALANCE SHEET as of March 31, 2010

Page 1
2010
EUR

ASSETS

A. FIXED ASSETS

I. Intangible Assets

- | | |
|--|------------|
| 1. Franchises, trademarks, patents, licenses, and similar rights and licenses to such rights | 114,583.00 |
|--|------------|

II. Property, Plant and Equipment

- | | |
|--|-----------|
| 1. Technical equipment, plant and machinery | 3,441.00 |
| 2. Other equipment, operational and office equipment | 17,849.00 |

B. CURRENT ASSETS

I. Inventories

- | | |
|-------------------------------------|------------|
| 1. Work-in-process | 42,000.00 |
| 2. Finished goods and trading stock | 353,342.53 |
| 3. Advance payments | 8,936.42 |

II. Accounts receivables and other assets

- | | |
|--------------------------------|------------|
| 1. Accounts receivables, trade | 143,991.04 |
| 2. Other assets | 57,479.89 |

III. Checks, cash on hand and in Federal Bank and in postal checking accounts, and cash in banks

22,457.92

C. DEFERRED CHARGES AND PREPAID EXPENSES

26,239.84

TOTAL ASSETS

790,320.64

LIABILITIES AND SHAREHOLDERS' EQUITY

A. SHAREHOLDERS' EQUITY

I. Capital subscribed 50,000.00

II. Capital Surplus 445,000.00

III. Net income 9,666.55

Book Equity 504,666.65

B. RESERVE AND ACCRUED LIABILITIES

1. Accrued taxes 4,775.81

2. Other reserves and accrued liabilities 4,000.00

C. LIABILITIES

1. Accounts payable trade

- thereof due within up to 1 year EUR 134,437.68	134,437.68
--	------------

2. Other liabilities 142,440.60

- thereof due within up to 1 year EUR 142,440.60

- thereof for taxes EUR 2,350.63

- thereof for social security EUR 73.00

TOTAL SHAREHOLDERS' EQUITY

790,320.64

(Certified translation from German)

Apollo Maschinenbau GmbH, Grunauer Fenn 44, 14712 Rathenow

INCOME STATEMENT

for the period between November 1, 2009 and March 31, 2010

	Page 3 2010 EUR
1. Sales	169,152.56
2. Increase or decrease in finished goods and work-in-process	362,000.00
3. Cost of materials	
a) Cost of raw materials, supplies and trading stock	-270,604.63
b) Cost of purchased services	-17,519.78
4. Personnel expenses	
a) Wages and salaries	-89,148.58
b) Social Security, pension and other benefit costs	-20,145.44
5. Depreciation, amortization and write-offs	
a) on intangible assets and plant and equipment and on start-up and business expansion costs capitalized	-13,122.03
6. Other operating expenses	-109,010.05
7. Other interest and similar income	1,830.27
8. Result from ordinary operations	13,432.32
9. Taxes on Income	-3,765.77
10. TOTAL INCOME	9,666.55

FIXED-ASSETS MOVEMENT SCHEDULE

as of March 31, 2010

Page 1

	Historical costs	Additions	Retirements	Accumulated depreciation	Balance sheet as of 03/31/2010	Depreciation during current year
	EUR	EUR	EUR	EUR	EUR	EUR
A. FIXED ASSETS						
I. Intangible assets						
1. Franchises, trademarks, patents, licenses, similar rights and licenses to such rights licenses to such rights	0.00	125,000.00	0.00	10,417.00	114,583.00	10,417.00
II. Property, plant and equipments						
1. Technical equipment, plant and machinery	0.00	3,500.00	0.00	59.00	3,441.00	59.00
2. Other equipment, operational and office equipment						
Cars	0.00	15,714.29	0.00	2,183.29	13,531.00	2,183.29
Trucks	0.00	1,500.00	0.00	188.00	1,312.00	188.00
Low-cost assets > EUR 150 up to EUR 1,000 (collective item)	0.00	3,280.74	0.00	274.74	3,006.00	274.74
	0.00	20,495.03	0.00	2,646.03	17,849.00	2,646.03
	0.00	148,995.03	0.00	13,122.03	135,873.00	13,122.03

GENERAL COMMENTS ON THE ANNUAL FINANCIAL STATEMENTS

Based on para. 267 sec. 1 HGB [German Commercial Code] the Company is classes as small company as of year end;

Size-related simplifications which apply for the preparation of the annual financial statements were applied in preparing the notes to the annual financial statements exclusively.

The income statement was prepared using the total cost method according to para. 275 sec. 2 HGB.

The management assumes that the company will continue as a going concern. Neither constructive nor legal evidence to the contrary exist.

Comments on annual financial statements items

Assets were measured according their historical costs. Assets subject to wear and tear are amortized according to their expected useful life. If necessary the lower of costs or market values were stated.

Apart from the amortization no further tax depreciations were made.

The measurement of finished goods and work-in-process according to historical costs included : direct and indirect costs of material, direct and indirect manufacturing costs as well as special manufacturing costs. Trading stocks were measured according to historical costs. If necessary the lower of costs or market value were stated.

Any accounts receivables and other assets are due within less than a year.

Accounts receivable, trade were not subject to itemized valuation allowance.

Accounts receivable, trade were not subject to lump sum valuation allowance.

Other provisions are measured at the amount dictated by prudent business judgment in order to cover all imminent risks and uncertain liabilities as of balance sheet date.

Liabilities are measured at their settlement amount. Any liabilities are due within one year. Warranties were not granted.

Accounts payable, trade are subject to the general retention of title. Accounts payable were reconciled as of balance sheet date.

Other Information

No further contingencies according to para. 251 HGB existed as of balance sheet other than those itemized.

Assigned as executive managers (Geschäftsführer) in the business year were

Mr. Klaus D. Sprehe and

Mr. Asit Anil Patel

Rathenow, July 13, 2010

- cf. original -
Signature

- cf. original -
Signature

(Certified translation from German)

Certification

We have prepared the annual financial statements of **Apollo Maschinenbau GmbH** as of March 31, 2010 on the basis of the accounts maintained by us, charts of accounts presented to us as well as information provided by **Apollo Maschinenbau GmbH**.

An evaluation of compliance of such records and information provided by the company was not subject to our assignment.

Rathenow, July 14, 2010

[Seal]

<signature>

Freund & Partner HmBH
Steuerberatungsgesellschaft
[tax advising company]
Office Rathenow

Certified to be a true and complete translation to the best of my knowledge and belief.

Heidelberg, 21 July 2010

Rita Kabe-Kocadereli
Sworn Translator
English/Russian
Registered with the Landgericht Heidelberg
(Heidelberg Regional Court)

GUJARAT APOLLO INDUSTRIES LIMITED

(Certified translation from German)

Chart of accounts for balance sheet as of March 31, 2010

Apollo Maschinenbau GmbH, Grunauer Fenn 44, 14712 Rathenow

Page 1

2010
EUR

ASSETS

FIXED ASSETS

Intangible Assets

Franchises, trademarks, patents, licenses, and similar rights and licenses to such rights

25 Similar rights 114,583.00

Property, plant and equipment

Technical equipment, plant and machinery

200 Technical equipment, plant and machinery 3,441.00

Other equipment, operational and office equipment

320 Cars 13,531.00

350 Trucks 1,312.00

485 Low-cost assets > EUR 150 up to EUR 1,000 (collective item) 3,006.00

17,849.00

CURRENT ASSETS

Inventories

Work-in-process

7095 Semi-finished products 42,000.00

Finished Goods and trading stock

3980 Stock of components and wear and tear parts 23,750.00

3981 Stock raw materials and supplies 1,000.00

3982 Stock metal sheets and profiles 8,592.43

7110 Finished engines and equipment 320,000.00

353,342.53

Advance payments

1518 Advance payments 19% Input Tax 8,936.42

Amount carried over 540,151.95

(Certified translation from German)

Chart of accounts for balance sheet as of March 31, 2010

Apollo Maschinenbau GmbH, Grunauer Fenn 44, 14712 Rathenow

Page 2

	2010 EUR
<i>Amount carried over</i>	540,151.95
Accounts receivable and other assets	
Accounts receivable, trade	
1400 Accounts receivable, trade	143,991.04
Other assets	
1525 Deposits	10,500.00
1545 VAT claims	42,348.89
1548 Input tax deductible in subsequent year	4,631.00
	<u>57,479.89</u>
Checks, cash on hand and in Federal Bank in postal checking accounts, and cash in banks	
1000 Cash on hand	1,046.39
1200 Bank	17,457.79
1210 Dresdner Bank	3,953.74
	<u>22,457.92</u>
DEFERRED CHARGES AND PREPAID EXPENSES	
980 Prepaid Expenses	26,239.84
TOTAL ASSETS	<u><u>790,320.64</u></u>

GUJARAT APOLLO INDUSTRIES LIMITED

(Certified translation from German)

Chart of accounts for balance sheet as of March 31, 2010

Apollo Maschinenbau GmbH, Grunauer Fenn 44, 14712 Rathenow

Page 3

	2010 EUR
LIABILITIES AND SHAREHOLDERS' EQUITY	
Capital subscribed	
800 Capital subscribed	50,000.00
Capital Surplus	
840 Capital Surplus	445,000.00
Net income	
9811 Profit	9,666.55
Book Equity	<u>504,666.55</u>
RESERVES AND ACCRUED LIABILITIES	
Accrued Taxes	
957 Accrued trade taxes	1,641.00
963 Accrued corporation taxes	2,014.00
964 Accrued solidarity surcharge	110.77
1766 Not due VAT 19%	1,010.04
	<u>4,775.81</u>
Other reserves and accrued liabilities	
970 Other reserves and accrued liabilities	500.00
977 Reserves for annual financial statements preparation and audit fees	3,500.00
	<u>4,000.00</u>
LIABILITIES	
Accounts payable, trade	
1600 Accounts payable, trad	134,437.68
Other Liabilities	
1700 Other liabilities	518.35
1701 Liabilities from license agreement	125,644.61
1740 Liabilities from wages and salaries	13,854.01
1741 Liabilities from wages and church taxes	2,350.29
1750 Liabilities from accumulation of income	73.00
1789 VAT for the year	0.34
	<u>142,440.60</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>790,320.64</u></u>

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(Certified translation from German)

Chart of accounts for balance sheet as of March 31, 2010
Apollo Maschinenbau GmbH, Grunauer Fenn 44, 14712 Rathenow

Page 4
2010
EUR

Sales

8400	Sales full amount of VAT	164,050.70
8520	Sales waste recycle	1,463.80
8697	Non taxable EU sales	3,444.00
8735	Discounts granted full amount of VAT	-25.94
8950	Non taxable sales	220.00
		169,152.56

Increase or decrease in finished goods and work-in-process

8975	Changes in inventories of construction assignments in process	42,000.00
8980	Changes in inventories of finished goods	320,000.00
		362,000.00

Cost of materials

Cost of raw materials, supplies and trading stock		
3200	Stocks received	-32,319.00
3400	Stocks received full amount of input tax	-259,789.71
3698	Intra-community acquisition free of tax	-10,800.00
3800	Additional costs upon receipt of stocks	-1,038.45
3960	Changes in inventories of raw materials and supplies	33,342.53
		-270,604.63

Cost of purchased services

3100	External services	-17,519.78
------	-------------------	------------

Personnel expenses

Wages and salaries

4100	Wages and salaries	-2,720.26
4110	Wages	-49,678.50
4120	Salaries	-36,647.62
4155	Subsidies of employment agencies	900.00
4190	Wages for temporary workers	-575.00
4195	Staff recruiting agencies	-427.20
		-89,148.58

Social security, pension and other benefit costs

4130	Legal social securities requirements	-19,627.09
4138	Contributions professional association	-518.35
		-20,145.44

Depreciation, amortization and write-offs

on intangible assets, and plant and equipment and on start-up and business expansion costs capitalized

4830	Depreciation of fixed assets	-10,476.00
4832	Depreciation of vehicles	-2,371.29
4862	Write-offs of low-cost assets	-274.74
		-13,122.03

<i>Amount carried over</i>	120,612.10
----------------------------	------------

GUJARAT APOLLO INDUSTRIES LIMITED

(Certified translation from German)

Chart of accounts for balance sheet as of March 31, 2010
Apollo Maschinenbau GmbH, Grunauer Fenn 44, 14712 Rathenow

Page 6

2010

EUR

<i>Amount carried over</i>	120,612.10
Other operating expenses	
4210 Rent (tangible assets)	-17,941.18
4240 Gas, electricity, water	-4,271.57
4280 Other utilities	-378.22
4360 Insurance	-1,224.15
4380 Contributions	-1,049.20
4520 Car Insurance	-689.49
4531 Diesel	-1,316.71
4540 Car repair expenses	-2,146.19
4580 Other car-related expenses	-584.56
4600 Income-related expenses	-5,051.69
4640 Representation expenses	-1,189.08
4650 Entertainment expenses	-109.98
4655 Non-deductible business expenses resulting from advertisement and presentation and representation costs	-47.14
4660 Travel expenses employee	-116.92
4663 Travel expenses employee commute	-77.73
4664 Travel expenses employee food allowance	-402.00
4666 Travel expenses employee accommodation allowance	-3,626.87
4668 Mileage allowance for employee	-8,595.90
4700 Cost of delivery of goods	-369.08
4805 Repair and maintenance of other plants and factory and office equipment	-2,139.92
4812 Lease copy machine Triumph-Ad	-336.00
4900 Other operating expenses	-1,043.80
4910 Postage	-229.90
4920 Phone	-1,534.26
4930 Office material	-1,246.58
4940 Newspapers and books	-45.80
4950 Legal and consulting fees	-39,134.90
4955 Bookkeeping costs	-3,666.79
4957 Accounting and audit	-3,500.00
4960 Rent for furniture and equipment (tangible assets)	-123.76
4970 Collateral expenses money transfer	-3,770.60
4980 Operating costs	-3,770.60
4985 Tools and small equipment	-1,281.87
	-109,010.05
Other Interests and similar expenses	
2651 Income from interests from goods	1,830.27
Result from ordinary operations	13,432.32
<i>Amount carried over</i>	13,432.32

Page 7

2010

EUR

<i>Amount carried over</i>	153,879.57
Taxes on income	
2201 Corporation tax	-2,014.00
2207 Solidarity surcharge	-110.77
4330 Trade tax	-1,641.00
	-3,765.77
NET INCOME	9,666.55

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DETAILS OF SUBSIDIARY COMPANIES

**(Pursuant to letter no. 47/37/2009-CL-III dated 29-01-09
of Ministry of Corporate Affairs, Government of India)**

(Rs. in Lacs)

	Name of the Subsidiary Company	Apollo Earthmovers Ltd.	Apollo Industrial Products Ltd.
1	Capital	120	40
2	Share Application Money	NIL	NIL
3	Reserve	3213.59	911.58
4	Total Assets	3468.85	1573.88
5	Total Liabilities	3468.85	1573.88
6	Investments	2012.05	419.05
7	Turnover	5080.39	2306.40
8	Profit Before Taxation	838.30	226.01
9	Provision for Taxation	265.10	78.75
10	Profit after Taxation	550.24	149.04
11	Proposed Dividend	NIL	NIL

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT APOLLO INDUSTRIES LIMITED, AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of GUJARAT APOLLO INDUSTRIES LIMITED and its subsidiaries (the GAIL Group) as at 31st March 2010 and also the consolidated Profit and Loss Account and the consolidated 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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

In respect of the financial statement of one of the subsidiary, we did not carry out the audit. This financial statements have been audited by other auditor whose reports have been furnished to us and our opinion, insofar as it relates to the amount included in respect of this subsidiary is based solely on the report of other auditor. The details of assets and revenue in respect of this subsidiary whose financial statements reflect total assets of Rs. 5479.28 Lacs as at 31st March '2010, the total revenue of Rs.5501.98 Lacs, net profit of Rs. 550.24 Lacs and net cash outflow amounting to Rs.108.71 Lacs for the year ended on that date.

We further report that in respect of the foreign subsidiary, we did not carry out the audit. These financial statement have been certified by management and have been furnished to us and in our opinion, insofar as it relates to the amount included in respect of this subsidiary is based solely on these certified financial statement.

Since financial statement for the year ended March 31st, 2010 which was compiled by management of that company, were not audited, any adjustment to their balances could have consequential effects on the attached consolidated financial statement. However the size of these subsidiary in the consolidated position is not significant in relative terms. The details of assets and revenue in respect of this subsidiary whose financial statements reflect total assets of Rs. 305.78 Lacs as at 31st March '2010, the total revenue of Rs.114.70 Lacs, net profit of Rs. 6.48 Lacs and net cash outflow amounting to Rs. 3.61 Lacs for the year ended on that date.

1. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", (AS) 23, and on the basis of these of the separate audited / certified financial statement of the GAIL Group included in the consolidated financial statements.
2. We report that on the basis of the information and according to the explanation given to us, and on the consideration of the separate audit report on individual audited financial statements of the GAIL Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies in Schedule-S and notes appearing thereon, given a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of Consolidated Balance Sheet, of the state of affairs of the GAIL Group as at 31st March , 2010;
 - b) in the case of Consolidated Profit and Loss Account, of the consolidated result of operations of the GAIL Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the GAIL Group for the year ended on that date.

FOR ARVIND A THAKKAR & CO.
Chartered Accountants
Firm Reg. No. 100571W

Place : Ditasan, Mehsana
Dated : 30.07.2010

A.A. THAKKAR
Sole Proprietor
Membership No.14334

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
I SOURCES OF FUNDS:					
a) Shareholders' Funds					
[I] Share Capital	A	16,57,50,000		15,75,00,000	
[II] Reserves and Surplus	B	1,46,86,85,044		1,09,70,48,634	
[III] Up-front payment against share warrant		0		99,00,000	
		<u>1,63,44,35,044</u>		<u>1,26,44,48,634</u>	
b) Minority Interest			5,87,01,380		4,82,12,090
c) Loan Funds:					
[I] Secured Loans	C	27,23,24,223		17,81,77,015	
[II] Unsecured Loans	D	17,80,59,257		9,49,00,081	
			<u>45,03,83,480</u>		<u>27,30,77,096</u>
d) Deffered Tax Liability			3,65,27,521		2,39,64,751
TOTAL			<u>2,18,00,47,425</u>		<u>1,60,97,02,571</u>
II APPLICATION OF FUNDS:					
a) Fixed Assets	E				
[I] Gross Block		76,83,83,669		45,97,33,282	
[II] Less: Depreciation		<u>14,98,64,863</u>		<u>12,65,23,751</u>	
[III] Net Block		61,85,18,806		33,32,09,531	
[IV] Capital Work in-Progress		<u>7,99,56,221</u>		<u>8,68,75,181</u>	
			69,84,75,027		42,00,84,712
b) Investments	F		22,26,01,744		11,81,41,503
c) Current Assets, Loans and Advances					
[I] Inventories	G	54,13,80,611		38,75,33,144	
[II] Sundry Debtors	H	47,44,36,951		34,35,82,096	
[III] Cash and Bank Balances	I	14,01,93,470		10,93,94,780	
[IV] Loans & Advances	J	49,89,91,042		56,73,55,535	
		<u>1,65,50,02,074</u>		<u>1,40,78,65,555</u>	
Less: Current Liabilities and Provisions					
[I] Current Liabilities	K	34,04,62,987		29,15,95,001	
[iii] Provision		<u>5,55,68,433</u>		<u>4,47,94,198</u>	
NET CURRENT ASSETS		39,60,31,420		33,63,89,199	
			<u>1,25,89,70,654</u>		<u>1,07,14,76,356</u>
TOTAL			<u>2,18,00,47,425</u>		<u>1,60,97,02,571</u>
Note on accounts & accounting policies	S				

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditasan, Mehsana

Dated: July 30, 2010

For & on behalf of Board of Directors

Anand A. Patel

Executive Director

R. C. Gosain

Director

Ditasan, Mehsana

Dated: July 30, 2010

GUJARAT APOLLO INDUSTRIES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH 2010

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
INCOME					
Sales and Other Income	M	2,86,30,90,013		2,69,75,44,248	
Less: Excise duty		<u>17,67,10,218</u>		<u>22,97,33,547</u>	
Total			<u>2,68,63,79,795</u>		<u>2,46,78,10,701</u>
EXPENDITURE:					
Material Cost	N	1,62,93,75,356		1,58,04,90,745	
Manufacturing expenses	O	11,34,78,990		10,86,85,856	
Employee Cost	P	9,85,13,348		6,85,72,826	
Sales Tax & VAT		4,97,35,887		4,94,78,544	
Administrative and other expenses	Q	13,32,83,263		9,15,33,546	
Selling and Distribution expenses	R	<u>10,63,00,839</u>		<u>9,85,66,730</u>	
			<u>2,13,06,87,683</u>		<u>1,99,73,28,247</u>
PROFIT BEFORE INTEREST, DEPRECIATION & TAXES			<u>55,56,92,112</u>		<u>47,04,82,454</u>
Interest		75,25,920		(8,34,478)	
Depreciation		<u>2,65,47,575</u>		<u>2,10,16,463</u>	
			<u>3,40,73,495</u>		<u>2,01,81,985</u>
PROFIT BEFORE TAX			<u>52,16,18,617</u>		<u>45,03,00,469</u>
Provision for taxation		16,91,37,608		14,90,00,000	
Provision for Fringe benefit tax		0		23,85,000	
Deferred tax liability (Net)		<u>1,25,62,770</u>	<u>18,17,00,378</u>	<u>1,69,982</u>	<u>15,15,54,982</u>
PROFIT AFTER TAX			<u>33,99,18,239</u>		<u>29,87,45,487</u>
Less : Minority Interest			<u>1,04,89,290</u>		<u>1,23,39,849</u>
Current year profit after Tax & minority			<u>32,94,28,949</u>		<u>28,64,05,638</u>
Add: Balance brought forward from previous year			4,15,59,880		6,37,76,816
Add: Provisions of earlier years			0		(17,69,149)
AMOUNT AVAILABLE FOR APPROPRIATION			<u>37,09,88,829</u>		<u>34,84,13,305</u>
APPROPRIATION					
General Reserve			<u>22,60,00,000</u>		<u>27,00,00,000</u>
Proposed Dividend			<u>4,14,37,500</u>		<u>3,15,00,000</u>
Tax on Proposed Dividend			<u>70,42,303</u>		<u>53,53,425</u>
Balance Carried to Balance Sheet			<u>9,65,09,026</u>		<u>4,15,59,880</u>
TOTAL			<u>37,09,88,829</u>		<u>34,84,13,305</u>
Earning per share basic			<u>20.10</u>		<u>18.18</u>
Earning per share diluted (before exceptional item)			<u>19.88</u>		<u>18.18</u>
Note on accounts & accounting policies	S				

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditason, Mehsana

Dated: July 30, 2010

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Ditason, Mehsana

Dated: July 30, 2010

CONSOLIDATED CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF LISTING AGREEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

	31.03.2010 Rupees	31.03.2009 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra Ordinary Items	52,16,18,617	45,03,00,469
Adjustment for depreciation	2,64,62,413	2,10,16,463
Interest	75,25,920	(8,34,478)
Profit/Loss on Sale of Fixed Assets (Net)	(18,15,288)	10,607
Profit on Sales of Investment, interest & other income	(3,18,18,107)	(2,97,91,276)
Provision for taxation (Net)	(16,91,37,608)	(15,13,85,000)
Operating profit before working capital changes	35,28,35,947	28,93,16,785
Adjustment for: Trade and Other receivables	(13,08,54,855)	(1,20,47,467)
Inventories	(15,38,47,467)	(5,59,82,504)
Loans & Advances	6,83,64,493	(26,23,90,233)
Current Liabilities	4,88,67,986	1,68,76,857
Cash Generated from Operations	18,53,66,104	(2,42,26,562)
Direct Tax Provision (Net)	1,07,74,235	(1,77,66,836)
Net Cash from Operating Activities (A)	19,61,40,339	(4,19,93,398)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/ Capital Work in Progress	(30,94,70,706)	(11,97,96,107)
Sales of Fixed Assets	64,33,266	19,20,592
Sales & Purchase of Investment (Net off)	(10,44,60,241)	8,62,24,641
Profit on Sale of Investments & other income	44,46,021	69,41,462
Interest Received / Paid	2,73,72,086	2,28,49,814
Net Cash used in Investing Activities (B)	(37,56,79,574)	(18,59,598)
C. CASH FLOW FORM FINANCING ACTIVITIES		
Increase/(Decrease) in Cash Credit	10,46,45,769	(2,11,08,380)
Increase/(Decrease) in Term Loan	(1,04,98,561)	(38,81,022)
Receipt/ (Payment) of Loans/ Deposits	8,31,59,176	(1,83,95,080)
Upfront Payment against Share Warrant	(99,00,000)	0
Increase in share capital	55,00,000	0
Share premium received	9,35,00,000	0
Interest	(75,25,920)	8,34,478
Dividend and Tax thereon	(4,84,79,803)	(3,68,53,425)
Net Cash (Used)/Generated in Financing Activities (C)	21,04,00,661	(7,94,03,429)
Forex Flactuation Translation Difference (D)	(62,736)	0
Net Increase in Cash & Cash Equivalentents (A+B+C+D)	3,07,98,690	(12,32,56,425)
Opening Cash & Cash equivalentents - Opening Balance	10,93,94,780	23,26,51,205
Closing Cash & Cash equivalentents - Closing Balance	14,01,93,470	10,93,94,780

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditason, Mehsana

Dated: July 30, 2010

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Ditason, Mehsana

Dated: July 30, 2010

GUJARAT APOLLO INDUSTRIES LIMITED

**SCHEDULE FORMING PART OF CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2010**

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE - A : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
20000000 Equity shares of Rs. 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
16575000 Equity Shares of Rs.10/- each fully paid up (Out of which 12525000 equity shares issued as bonus shares) (Previous Year 15750000 Equity Shares out of which 12250000 Equity share issued as a Bonus Share)	<u>16,57,50,000</u>	15,75,00,000
TOTAL	<u>16,57,50,000</u>	<u>15,75,00,000</u>
SCHEDULE - B : RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	99,15,00,000	77,40,00,000
Less: Transferred to Equity Capital against bonus shares	27,50,000	5,25,00,000
Add : Transferred from Profit and Loss Account	<u>22,60,00,000</u>	<u>27,00,00,000</u>
	1,21,47,50,000	99,15,00,000
Add : Profit and Loss Account	9,65,09,026	4,15,59,880
Add : Security Premium Account	9,35,00,000	0
Less : Foreign exchange translation reserve	62,736	0
TOTAL	<u>1,40,46,96,290</u>	<u>1,03,30,59,880</u>
Capital Reserve	6,39,88,754	6,39,88,754
TOTAL	<u>1,46,86,85,044</u>	<u>1,09,70,48,634</u>
SCHEDULE - C : SECURED LOANS		
(a) Term Loan	0	1,04,98,561
(b) Cash Credit	<u>27,23,24,223</u>	<u>16,76,78,455</u>
TOTAL	<u>27,23,24,223</u>	<u>17,81,77,015</u>
SCHEDULE - D : UNSECURED LOANS		
From Shareholders	11,14,80,000	5,17,25,000
From Public	5,75,58,000	4,25,96,751
From Corporate Bodies	6,01,257	5,78,330
From Director	84,00,000	0
TOTAL	<u>17,80,59,257</u>	<u>9,49,00,081</u>

SCHEDULE "E" FIXED ASSETS

Sr. No.	Assets Description	GROSS BLOCK (AT COST)						DEPRECIATION				NET BLOCK	
		As On 01.04.2009 Rupees	Addition During the year Rupees	Deduction during the year Rupees	Forex Translation	Total as on 31.3.2010 Rupees	As on 01.04.2009 Rupees	Deduction during the year Rupees	For the year Rupees	Forex Translation	Total as on 31.3.2010 Rupees	As on 31.03.2010 Rupees	As on 31.03.2009 Rupees
1	Lease hold Land	51,09,017	29,83,621	-	-	80,92,638	-	-	-	-	-	80,92,638	51,09,017
2	Free Hold Land	4,56,45,823	11,30,34,388	-	-	15,86,80,211	-	-	-	-	-	15,86,80,211	4,56,45,823
3	Office Premises	3,06,26,492	-	-	-	3,06,26,492	26,33,638	4,99,212	-	31,32,850	2,74,93,642	2,79,92,854	
4	Factory Building	9,04,99,366	6,60,91,150	-	-	15,65,90,516	2,13,01,352	33,93,094	-	2,46,94,446	13,18,96,070	6,91,98,014	
5	Worker's Quarter	1,05,83,127	-	-	-	1,05,83,127	1,76,207	1,72,505	-	3,48,712	1,02,34,415	1,04,06,920	
6	Plant & Machinery	17,99,43,856	9,48,52,555	19,12,000	(32,450)	27,28,51,961	6,18,70,605	89,78,313	(1,603)	7,04,84,346	20,23,67,615	11,80,73,253	
7	Electrical Installation	40,83,077	39,08,974	-	-	79,92,051	33,47,340	1,97,330	-	35,44,670	44,47,381	7,35,737	
8	Furniture & Fixture	1,92,70,033	38,00,665	-	-	2,30,70,698	73,83,864	12,90,219	-	86,74,083	1,43,96,615	1,18,86,168	
9	Office Equipment	2,25,78,328	67,26,403	20,380	(21,292)	2,92,63,059	1,05,11,423	209	(1,783)	1,31,62,613	1,61,00,446	1,20,66,904	
10	Vehicles	2,41,55,846	1,22,46,090	58,06,899	(1,01,986)	3,04,93,052	78,70,446	34,39,601	(14,170)	85,37,755	2,19,55,297	1,62,85,400	
	Tangible Assets (A)	43,24,94,966	30,36,43,846	77,39,279	(1,55,728)	72,82,43,806	11,50,94,876	31,21,301	(17,556)	13,25,79,476	59,56,64,330	31,74,00,090	
1	Computer software	95,26,681	11,20,297	-	-	1,06,46,977	31,55,897	16,12,951	-	47,68,847	58,78,130	63,70,784	
2	Technical Knowhow	1,77,11,636	42,07,500	-	-	2,19,19,136	82,72,979	36,12,395	-	1,18,85,374	1,00,33,762	94,38,657	
3	Franchises, trademark, patent & licenses	-	83,85,000	-	(8,11,250)	75,73,750	-	6,98,772	(67,606)	6,31,166	69,42,584	-	
	Intangible Assets (B)	2,72,38,316	1,37,12,797	-	(8,11,250)	4,01,39,863	1,14,28,875	59,24,118	(67,606)	1,72,85,387	2,28,54,476	1,58,09,441	
	Total Assets = (A)+(B)	45,97,33,282	31,73,56,643	77,39,279	(9,66,978)	76,83,83,669	12,65,23,751	2,65,47,575	(85,162)	14,98,64,863	61,85,18,806	33,32,09,532	
	Total For (Previous Year)	37,24,49,916	9,13,73,459	40,90,093	-	45,97,33,282	10,76,66,181	2,10,16,463	-	12,65,23,731	33,32,09,532	17,71,60,524	

GUJARAT APOLLO INDUSTRIES LIMITED

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-F : INVESTMENTS		
(A) Long Term (All Unquoted at Cost)		
1. In 13160 Bonds of Sardar Sarovar Narmada Nigam Ltd.	13,16,000	13,16,000
2. Equity Shares of Associate companies: (Unquoted fully paid up)		
a. In 3331610 (PY 3330610) Equity Shares of Rs. 10/- each of Apollo Industries and Projects Ltd.	1,53,85,110	1,53,75,110
b. 200000 (PY 200000) Equity shares of Rs. 10/- each of Zam Zam Exports Limited	2,00,50,000	2,00,50,000
3. In other companies / Firms		
a. 100000 (PY 20000) Equity shares of Rs.10/- each of Apollo Construction Equipments Pvt. Ltd.	172,310,000	44,030,000
b. Investment In - Partnership Firm (Apollo Quarry Works)	4,500,000	0
c. 42000 (PY 42000) shares of Rs.25/- each of the Mehsana Urban Co-operative Bank Ltd.	1,050,000	1,050,000
d. 440000 (PY 440000) shares of Tribhuvan Industries Private Limited	4,400,000	4,400,000
e. 150000 (PY 150000) Apollo Construction Projects Private Limited	3,000,000	3,000,000
(B) CURRENT INVESTMENT		
a. In 50000 (PY 50000) units of S B I Infrastructure Fund	5,00,000	5,00,000
b. In 9034 (PY 18518) Units of S B I Premier Fund Institutional	90,634	2,51,365
e. UTI Mutual Fund	0	2,81,69,028
TOTAL	<u>22,26,01,744</u>	<u>11,81,41,503</u>
SCHEDULE -G : INVENTORIES		
(As per inventory taken, valued and certified by Management)		
Raw Material and bought out spares	31,25,00,241	16,17,45,019
Scrap (Estimated value)	10,29,460	3,16,765
Stores & tools	2,99,46,551	57,12,802
Semi finished goods	10,92,02,068	13,55,30,399
Finished Goods	8,87,02,292	8,42,28,159
TOTAL	<u>54,13,80,611</u>	<u>38,75,33,144</u>
SCHEDULE-H : SUNDRY DEBTORS		
(Unsecured, Unconfirmed, Considered good)		
Outstanding exceeding six months	11,77,65,727	16,99,90,072
Others	38,65,90,848	20,55,87,494
	<u>50,43,56,575</u>	<u>37,55,77,566</u>
Less: Unaccrued sales (cumulative)	2,99,19,624	3,19,95,470
TOTAL	<u>47,44,36,951</u>	<u>34,35,82,096</u>
SCHEDULE-I : CASH AND BANK BALANCES		
Cash and cheques on hand	28,12,664	23,87,697
Balance with Scheduled Banks in current accounts	10,64,07,604	5,05,97,328
Fixed Deposit with Scheduled Banks	2,76,40,758	5,31,90,062
Margin money with bank	33,32,444	32,19,693
TOTAL	<u>14,01,93,470</u>	<u>10,93,94,780</u>

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE- J : LOANS AND ADVANCES		
(Unsecured, Unconfirmed, Considered good)		
Advances recoverable in cash or in kind or for value to be received	17,11,38,303	3,92,70,265
Deposits	2,92,49,765	2,63,27,649
Advance to companies	28,40,48,541	39,59,22,552
Advance Income Tax Net off Provision	1,15,08,243	8,30,46,190
Advance for capital expenditure	30,46,190	2,27,88,879
TOTAL	<u>49,89,91,042</u>	<u>56,73,55,535</u>
SCHEDULE-K : CURRENT LIABILITIES		
Sundry Creditors	27,18,35,774	16,69,89,727
Unpaid Dividend	24,00,670	25,52,192
Advances against orders	6,41,40,467	12,05,54,444
Creditors for expenses	20,86,076	14,98,638
TOTAL	<u>34,04,62,987</u>	<u>29,15,95,001</u>
SCHEDULE-L : PROVISIONS		
Provision for Income Tax net off advance tax and TDS	44,89,973	41,39,137
Provision for Fringe Benefit Tax (Net)	-	4,50,000
Provision for Dividend & Dividend tax	4,84,79,803	3,68,53,425
Provision for leave encashment	3,27,657	96,636
Provision for managerial remuneration	22,71,000	32,55,000
TOTAL	<u>5,55,68,433</u>	<u>4,47,94,198</u>

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-M : SALES AND OTHER RECEIPT		
Sales (Gross) & Other Operating Income	2,85,76,53,874	2,67,57,99,730
Contract Receipts	54,36,139	2,17,44,518
TOTAL	<u>2,86,30,90,013</u>	<u>2,69,75,44,248</u>
SCHEDULE -N : MATERIAL COST		
(A) Raw Materials and Consumables		
Opening Stock	16,17,45,019	19,71,34,919
Add: Purchases	1,78,32,22,823	1,63,64,73,249
Total	1,94,49,67,842	1,83,36,08,168
Less: Closing stock	31,25,00,241	16,17,45,019
Sub Total (A)	<u>1,63,24,67,601</u>	<u>1,67,18,63,149</u>
(B) Movement in value of finished/trading goods and work-in-progress		
Opening Stock	22,57,88,125	13,44,15,721
Closing Stock	22,88,80,370	22,57,88,125
(Increase)/Decrease	-30,92,245	-9,13,72,404
Total (A+B)	<u>1,62,93,75,356</u>	<u>1,58,04,90,745</u>

GUJARAT APOLLO INDUSTRIES LIMITED

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE -O : MANUFACTURING EXPENSES		
Power & Fuel	1,16,37,957	78,08,006
Labour charges	5,78,14,217	4,98,13,793
Factory expenses	1,42,03,947	1,00,30,748
Transportation, Cartage and Octroi (inward)	64,44,275	1,02,97,011
Repairs to Plant & Machinery	48,16,298	41,88,487
Repairs to Factory Building	12,05,017	15,19,417
Royalty	97,123	2,30,969
Sub contract charges	51,10,358	2,17,62,380
GIDC Water charges	94,315	1,12,779
Custom Duty Expenses	1,20,55,483	29,22,265
TOTAL	<u>11,34,78,990</u>	<u>10,86,85,856</u>
SCHEDULE-P : EMPLOYEES COST		
Salaries and wages	8,24,23,455	5,66,86,689
Contribution to Provident Fund	42,49,634	38,18,353
Staff Welfare	55,70,906	36,39,586
Bonus and Gratuity	62,69,353	44,28,198
TOTAL	<u>9,85,13,348</u>	<u>6,85,72,826</u>
SCHEDULE-Q : ADMINISTRATIVE EXPENSES		
Office and administrative expenses	93,63,600	65,73,497
Postage, telephone and telex expenses	62,63,430	54,76,789
Travelling and conveyance	1,22,67,169	1,06,93,438
Stationary and printing expenses	15,84,348	15,83,395
Bank charges and commission	59,78,751	73,73,139
Professional charges	2,29,15,988	1,87,43,772
Miscellaneous expenses	1,07,41,377	45,43,064
Insurance premium	15,70,119	30,64,542
Vehicle running and maintenance	46,69,270	44,90,318
Director's remuneration	2,39,67,114	2,16,42,927
Exchange Rate Difference	2,06,05,762	51,09,544
Bad Debts written off (Net off bad debts recovered)	1,13,79,404	20,24,149
Loss on sale of assets/shares (Net)	19,76,929	2,14,972
TOTAL	<u>13,32,83,263</u>	<u>9,15,33,546</u>
SCHEDULE-R : SELLING AND DISTRIBUTION EXPENSES		
Erection and after sales service	2,97,22,581	2,21,14,135
Advertisement and sale promotion	85,56,588	90,38,108
Commission on sales	2,17,66,990	1,68,97,147
Freight outward	4,46,65,194	4,81,22,398
Packing & forwarding expenses	14,70,239	15,23,652
Discount	1,19,247	8,71,290
TOTAL	<u>10,63,00,839</u>	<u>9,85,66,730</u>

Schedules forming part of the Consolidated Accounts

Schedule S – Accounting Policies and Notes forming part of the Consolidated Accounts for the year ended 31st March '2010

1. Basis of Consolidation

(a) The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of all the Companies are in accordance with generally accepted accounting principles in India. The effects of inter-Company transactions are eliminated on consolidation.

(b) Companies included in Consolidation

Subsidiary	Country of Incorporation	Ownership proportion 31.03.2010
1. Apollo Industrial Products Ltd.	India	85%
2. Apollo Earthmovers Ltd.	India	85%
3. Apollo Machinebau GmbH	Germany	100%

(c) The current year being the first year for overseas Apollo Maschinenbau GmbH, Germany for which consolidated financial statements have been prepared, the previous year's figures are not complied.

2. Significant Accounting Policies

2.1 Convention and Basis of Preparation of Financial Statements

These financial statements have been prepared on the accrual basis of accounting as per double entry system, under the historical cost convention. A summary of accounting policies, which have been applied consistently, is set out below. The financial statement have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956 and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

2.2 Fixed Assets

Cost of fixed assets comprises purchase price, duties levies and any directly attributable cost of bringing the asset to its working conditions for the intended use. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to completion of their acquisition or construction are included in the book value of the assets.

All costs relating to upgradations/enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature.

Depreciation on fixed assets is reduced from the cost of respective assets

2.3. Intangible Assets

Software, where it is expected to provide future enduring benefits, is capitalized. Capitalization costs include license fees and costs of implementation / system integration services. The costs are capitalized in the year in which the relevant software is implemented for use

2.4 Depreciation/Amortization/Impairment

Depreciation on assets (except intangible assets) is provided in a manner that amortizes the cost of the asset after commissioning, on the straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. On additions and disposals, depreciation is provided for the period of use during the year. There is no lease hold property with the company and hence question of amortization does not arise.

Intangible assets are amortized on the systematic basis i.e., straight line method, except on Technical know-how fees which is amortized over a period of four years.

Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.5 Investments

Current Investments are stated at lower of cost and fair value and Long-term investments are valued at cost. Provision is made for any permanent diminution in the value of investments.

2.6 Inventories

Inventories of raw materials and components, work-in-progress and stock-in-trade are valued at the lower of cost and net realizable value. Cost is ascertained on a moving weighted average. The costs of work-in-progress and finished goods is determined on full absorption cost basis.

2.7 Employees Benefits

i. Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund maintained with Life Insurance Corporation of India. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

ii. Provident fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make, monthly contribution at a specified percentage of the covered employees' salary. The contributions as specified under the law are paid to the provident fund and pension fund to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme.

iii. Compensated absences:

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulated leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date. The Company makes annual contributions to gratuity fund maintained with Life Insurance Corporation of India.

2.8 Revenue Recognition

Sales are recorded net of trade discount, rebates and include excise duty. Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Incomes from services are recognized based on agreements/ arrangements with the concerned parties.

Dividend income is recognized when the right to receive dividends is established.

Interest income is recognized on the time proportion method.

2.9 Taxation

Tax expenses comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

2.10 Foreign Currency Transactions

Foreign currency transactions (including booking/cancellation of forward contracts) are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities (including forward contract) in foreign currency are translated at year end rates. Exchange differences arising on settlement of transactions and translations of monetary items (including forward contracts) are recognized as income or expense.

2.11 Borrowing Cost

Borrowing cost attributable to acquisition to, construction or production of qualifying asset are capitalized as part of the cost of that asset, till the month in which asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

2.12 Contingent liabilities and provisions:

Contingent Liabilities are possible but not probable obligation as on the Balance Sheet date, based on the available evidence.

Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities.

Provisions are recognized when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

3. Earnings per Share:

	31.03.2010	31.03.2009
	Rupees	Rupees
a) Total number of equity shares outstanding at the end of the year	1,65,75,000	1,57,50,000
b) Net profit after tax available for equity Shareholders	32,94,28,949	28,64,05,638
c) Basic Earnings (in Rupees) per share	20.10	18.18
d) Diluted Earnings (in Rupees) per share	19.88	18.18

4. Deferred Tax:

The break up of net deferred tax liability as at 31 March 2010 is as under;

A. Deferred Tax Liability Related to Fixed Assets:	23,69,64,751	2,40,94,953
B. Deferred Tax Assets:		
Disallowance under Section 43B of the Income Tax Act, 1961	1,25,62,770	1,30,202
C. Deferred Tax Liability (net)	3,65,27,521	2,39,64,751

5. Contingent liabilities:

i. In respect of Bank Guarantees issued by Banks	2,96,48,444	5,23,61,952
ii. In respect of Letter of Credit issued by Banks	2,82,84,436	Nil
iii. Exports Bills discounting	Nil	3,66,44,135
iv. Director General, Foreign Trade, Demand Not acknowledged by the company	1,60,96,767	1,60,96,767
v. In respect of Sales Tax Demand	23,13,000	10,35,400
vi. Liability on account of non fulfillment under EPCG Scheme (the same has not been provided in the books as Company is of opinion that the required exports would be made in stipulated time as prescribed in the scheme)	75,62,540	NIL
vii. Claims against the Company not acknowledge as debts	12,81,902	NIL

GUJARAT APOLLO INDUSTRIES LIMITED

6. Segment Reporting:

- (i) The Group has primarily one business segment "Road Construction And Maintenance Machineries"

The Group's operations are mainly located in India.

- (ii) The secondary segment is based on geographical demarcation i.e. India and rest of the world .Information About secondary segment are as follows:

Revenue	2009-10	2008-09
	Rupees	Rupees
Sales & Other Income:		
Domestic	2,50,94,22,829	2,30,23,76,611
Export (Only direct export)	34,82,31,045	37,34,21,119
Total	2,85,76,53,874	2,67,57,99,730

7. Balance Confirmation

The confirmation of some of the parties for the amount due to them/amount due from them as per the books of accounts is not reconciled. Necessary adjustment, if any, will be made when the accounts are Reconcile /Settled.

8. Previous year figures have been reworked, regrouped, rearranged and reclassified whenever necessary to conform to this year's classification.

9. Allotment of shares

The Company had allotted 8,25,000 Shares (including 2,75,000 by way of bonus on 5,50,000 convertible warrants) on 20th June '2009 on preferential basis, to various share holders. Warrant money received for the aforesaid options of Rs 990 lacs has been appropriated towards the share capital Rs 55 lacs and share premium account Rs 935 lacs on allotment of shares.

The shares rank pari passu in all respect with the existing equity shares of the Company.

10. Figures relating to subsidiary companies have been reclassified where necessary to bring in line with the holding company's financial statements.

11. Disclosures as per AS-15:

The disclosures as per the Notified AS 15 under the Companies (Accounting Standards) Rules, 2006 on "Employee Benefits", are as follows:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (taking last drawn salary as a base) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. The future contribution payable by the company under the Gratuity Scheme is currently not ascertainable.

Details of Provision for Gratuity	Rupees	
PARTICULARS	2009-10	2008-09
Defined Benefit Obligation	12,922,196	13,540,760
Fair Value of Plan Assets	17,110,170	16,948,294
Plan (Assets)Liabilities	(4,187,974)	(3,407,534)
Change in defined benefit obligation		
Present Value of Obligation as at beginning of year	13,540,760	11,914,219
Current Service Cost	1,460,941	1,210,309
Interest Cost	1,083,261	953,137
Actuarial (Gain)/Loss on obligation	(1,762,231)	(53,333)
Benefit Paid	(1,400,535)	(483,572)
Defined Benefit Obligation, end of the year	12,922,196	13,540,760

Details of Provision for Gratuity	Rupees	
PARTICULARS	2009-10	2008-09
Change in fair value of Plan Assets		
Fair Value of Plan Assets, At beginning of the year	16,948,294	15,597,018
Expected return on plan assets	1,512,538	1,413,373
Contribution by Employer	175,232	421,475
Benefit Paid	(1,525,894)	(483,572)
Actuarial (Gain)/Loss on plan assets	0	0
Fair Value of Plan assets at the end of year	17,110,170	10,644,329
Net Period Gratuity Cost		
Current Service Cost	1,460,941	1,210,309
Interest Cost on Benefit obligation	1,083,261	953,137
Net Actuarial (Gain)/Loss recognized in the year	(1,762,231)	(53,333)
Expected return on plan assets	1,512,538	1,413,373
Net benefit Expenses	(730,567)	696,740
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with Insurer (Life Insurance Corporation of India)		
Assumptions:		
Discount rate	8 %	
Expected rate of return on plan assets	8 %	
Employee Turnover	1% to 3 %	

12. Related Party Disclosures

A. List of related parties with whom transactions have taken place during the year

i Name of the related parties.	Nature of Relationship
a. Apollo Industries & Projects Limited.	Associate
b. Circuit Systems India Limited.	Associate
c. Zam Zam Exports Limited	Associate
d. Apollo Quarry Works	Associate
ii Key Managerial Personnel	
Mr. Anil T. Patel	Director
Mr. Manibhai V. Patel	Director
Mr. Asit A. Patel	Managing Director
Mr. Anand A Patel	Executive Director
Mr. Ajit A. Patel	Managing Director
Mr. Janardan J. Raval	Managing Director

GUJARAT APOLLO INDUSTRIES LIMITED

B. Transactions with related parties (Figures in bracket are of the previous year):

Particulars	Associates	Key Managerial Personnel
a) Sales, Services and other income	2,95,13,318 (5,71,55,059)	Nil (Nil)
b) Purchase of Raw Material and Components	Nil (22,53,936)	Nil (Nil)
c) Expenditures and other services	16,67,725 (Nil)	Nil (Nil)
d) Inter Corporate Deposits placed with related parties	2,60,00,000 (24,45,95,671)	Nil (Nil)
e) Loan taken and repaid	Nil (Nil)	Nil (4,81,00,000)
f) Purchase of Capital Assets	Nil (Nil)	10,67,32,000 (Nil)
g) Interest income from related parties	2,90,44,935 (2,29,75,463)	Nil (Nil)
h) Remuneration/setting fees/ Others	N.A.	2,40,75,114 (1,69,39,379)
i) Outstanding balances as at 31 March '2010;		
I. Due to company	10,85,82,403 (9,95,37,763)	Nil (Nil)
II. Payable by company	Nil (Nil)	1,10,000 (4,61,531)
III. Inter corporate Deposit receivable	27,96,65,026 (30,25,24,584)	Nil (Nil)

- B (i) The above transactions are complied from the date in which these parties became related and do not include reimbursement of expenses which are accounted in the natural heads of accounts.
- (ii) No amounts in respect of the related parties have been written off / back during the year

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

(Firm No. 100571W)

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Ditasan, Mehsana

Dated: July 30, 2010

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Anand A. Patel
Executive Director

R. C. Gosain
Director

Ditasan, Mehsana

Dated: July 30, 2010

GUJARAT APOLLO INDUSTRIES LIMITED

Registered Office : Ditasan, Post Jagudan, State Highway, Mehsana - 382 710 (North Gujarat)
Corporate Office : "Apollo House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009.

ATTENDANCE SLIP

Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall, Joint Shareholders may obtain additional Attendance Slips on request. Please bring your copy of the Annual Report for reference at the meeting.

D.P. ID	
Client I.D.	

FOLIO NUMBER :

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Shares held :

I hereby record my presence at the 23rd Annual General Meeting of the Company to be held on Friday, 24th September, 2010 at 11.30 a.m. at Ditasan, P.O. Jagudan, State Highway, Mehsana - 382 710.

SIGNATURE OF THE SHAREHOLDER/PROXY

Strike out whichever is not applicable.

* Applicable for Investor holding shares in demat form.

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GUJARAT APOLLO INDUSTRIES LIMITED

Registered Office : Ditasan, Post Jagudan, State Highway, Mehsana - 382 710 (North Gujarat)
Corporate Office : "Apollo House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009.

D.P. ID	
Client I.D.	

PROXY FORM

FOLIO NUMBER :

I/We _____ of _____ being
a member/members of Gujarat Apollo Industries Limited hereby appoint _____
_____ of
_____ or failing him
_____ of _____ as my/our
proxy to vote for me/us and on my/our behalf at the 23rd Annual General Meeting to be held on Friday, 24th
September, 2010 at 11.30 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2010

Affix
15 Paise
Revenue
Stamp

Notes : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48
hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

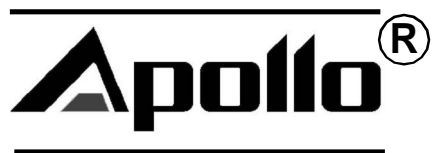
* Applicable for Investor holding shares in demat form.

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Pratiksha Printers, A'bad. 98252 62512

23rd
<i>Annual</i>
<i>Report</i>
<i>2009-2010</i>



GUJARAT APOLLO INDUSTRIES LIMITED

