

Apollo[®]



25th Annual Report
2011-2012



Gujarat Apollo Industries Limited

One Source, Unlimited Possibilities

BOARD OF DIRECTORS

MR. ANIL T. PATEL	-	<i>DIRECTOR</i>
MR. MANIBHAI V. PATEL	-	<i>DIRECTOR</i>
MR. ASIT A. PATEL	-	<i>MANAGING DIRECTOR</i>
MR. ANAND A. PATEL	-	<i>WHOLE-TIME DIRECTOR</i>
DR. N. V. VASANI	-	<i>INDEPENDENT DIRECTOR</i>
DR. N. T. PATEL	-	<i>INDEPENDENT DIRECTOR</i>
MR. RUPESH P. MEHTA	-	<i>INDEPENDENT DIRECTOR</i>

COMPANY SECRETARY

CS NEHA CHIKANI SHAH

STATUTORY AUDITORS

M/s. 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 FIFTH Annual General Meeting** of the members of **GUJARAT APOLLO INDUSTRIES LIMITED** will be held on Wednesday, the 26th day of September, 2012 at 11.00 A.M at the registered office of the Company at Ditasan, Post Jagudan, State Highway, Mehsana – 382710 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2012 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 on equity shares.
3. To appoint a Director in place of Dr. N. T. Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:
"RESOLVED THAT Dr. N. V. Vasani, a director liable to retire by rotation, who does not seek re-election, be not re-appointed as a Director of the Company.
RESOLVED FURTHER THAT the vacancy, so created, be filled by the Board of Directors of the Company."
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 Mr. Rupesh P. Mehta, who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 20, 2011 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company whose term of appointment will be liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT subject to approval of members and pursuant to the provisions of Section 269 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to Articles of the Articles of Association of the Company and subject to such modification as the consent be and is hereby accorded for the following variation in terms of appointment / remuneration of Mr. Asit A. Patel, Managing Director of the Company:

Salary (₹/Month):

The monthly salary of Mr. Asit A. Patel be revised from ₹ 1,40,000/- p.m. to ₹ 1,90,000/- p.m. subject to maximum of 5% /10% of the net profits of the Company w.e.f. 1st September, 2012.

He shall be entitled to the following perquisites in addition to the salary and commission:

- a) Re-imbusement of Medical expenditure

Re-imbusement of Medical Fees and expenses will be provided to Mr. Asit A. Patel, subject to the rules of the Company within the overall ceiling as defined under the Companies Act, 1956 or any other applicable Act.

- b) Club Fees

Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.

- c) Leave Travel Assistance/Encashment

Business Class Air Fare with full payment and allowances, as per the rules of the Company, for self and family once in a year to any destination. Family defined as spouse and dependent children. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

- e) Personal accident insurance

As per rules of the Company

“RESOLVED FURTHER THAT the Board be and is hereby authorized to revise the above salary within the overall limit stipulated under Schedule XIII read with Section 269 & 309 and as may be approved by Board on recommendation of remuneration committee.

RESOLVED FURTHER THAT all other terms and conditions of his appointment other than modified under this resolution would remain unchanged.”

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

“RESOLVED THAT subject to the approval of members and pursuant to provisions of the relevant Articles of Association of the Company and Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other consents, approvals and permissions if any needed, Mr. Anand A. Patel be and is hereby Re-appointed as the Whole-Time Director of the Company for a period of three years with effect from 1st September, 2012 on the terms and conditions hereinafter mentioned.”

Salary (₹ / Month):

The monthly salary of Mr. Anand A. Patel be ₹ 1,60,000/- p.m.

Commission:

Such remuneration by way of commission not exceeding 1% of net profits of the Company in addition to the salary, perquisites and allowances, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable will be decided by the Board of Directors based on certain criteria and will be payable only after the Annual Accounts of the Company have been adopted by the members of the Company.

Perquisites:

Perquisites should be allowed in addition to the salary as but within the overall limit, if any, prescribed under Schedule XIII of the Companies Act, 1956, as amended from time to time. The perquisites shall be evaluated etc. as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

- a) Medical Reimbursement

Expenses incurred for the appointee subject to the rules of the Company within the overall ceiling as defined under the Companies Act, 1956 or any other applicable Act.

- b) Leave Travel Assistance

Business Class Air Fare with full payment and allowances, as per the rules of the Company, for self and family once in a year to any destination. Family defined as spouse and dependent children. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

- c) Club Fees

Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.

- d) Personal accident insurance

As per rules of the Company

- e) Employer's contribution to Provident fund/superannuation fund

As per Rules of the Company

- f) Gratuity

Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules.

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g) Car/Telephone/Electricity

Car with chauffeur for use on Company's business and telephone/telefax/Electricity facilities at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee. The aforesaid remuneration will be subject to the limit of 5% of the net profits as laid down under sub-section (3) of section 309 of the Companies Act, 1956.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Anand A. Patel, the Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

Others:

- The Company will reimburse to the said Executive Director such expenses as he may incur on behalf of the Company.
- The Whole-Time Director shall not be liable to retire by rotation.
- The Whole-Time Director will not be entitled to receive any sitting fees for attending the meetings of the Board of Directors or committee thereof from the date of his appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT subject to approval of members of the Company and pursuant to the relevant Articles of Association of the Company and Sections 198, 269, 309(4) and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions if any needed, consent of the Board of Directors be and is hereby accorded for the payment of commission to Mr. Anil T. Patel, Director of the Company to the extent of 1% of the net profits of the Company, calculated in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956, in such a manner as the Board of Directors may determine from time to time."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT subject to approval of members of the Company and pursuant to the relevant Articles of Association of the Company and Sections 198, 269, 309(4) and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions if any needed, consent of the Board of Directors be and is hereby accorded for the payment of commission to Mr. Manibhai V. Patel, Director of the Company to the extent of 1% of the net profits of the Company, calculated in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 in such a manner as the Board of Directors may determine from time to time."

By order of the Board of Directors

Place: Ditasan, Mehsana
Dated: 11th August, 2012

Neha Chikani Shah
Company Secretary

NOTES:

1. 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 HIM/HERSELF 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.

2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of special business under item No. 6 to 10 is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement, of the person seeking appointment/re-appointment as directors under item No. 3, 4 and 6 of the notice is also annexed hereto.
3. The Register of Members and Share Transfer Book of the Company will remain closed from 19th September, 2012 to 26th September, 2012.
4. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the dividends declared for the Financial Year ended 2005, 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, 2005 and onwards are requested to lodge their claim with the Company. Company in terms of requirement of Ministry of Corporate Affairs (MCA) would upload the name of the shareholders on the web site of Company and that of MCA (www.mca.gov.in)
5. Members are requested to notify immediately the change in address, if any, to the Company or to the Registrar and Transfer Agents (R&TA).
6. The Shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.
8. Details of the Directors seeking Appointment/Re-Appointment at the Annual General Meeting:

Particulars	Dr. N. T. Patel	Mr. Rupesh P. Mehta
DIN No.	00093361	05102539
Date of Birth	20/11/1949	08/04/1974
Date of Appointment	26/10/2005	20/10/2011
Qualifications	M.D., MBBS	B.Com., Chartered Accountant
No. of Shares held in Company	7500	NIL
List of Directorship(s) held on 31 st March, 2012	NIL	NIL

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 ("THE ACT")

Item No. 6

The Board of Directors has appointed Mr. Rupesh P. Mehta as an additional Director of the Company w.e.f. 20th October, 2011. As per the provisions of Section 260 of the Act, the director holds office upto the date of forthcoming Annual general Meeting of the Company and is eligible for re-appointment as a director.

Mr. Rupesh P. Mehta is a qualified practicing Chartered Accountant and is having an experience of around 11 years in the field of audit, taxation, advisory, management consultancy, Risk Management, Forensic accounting etc. He has strength in maintaining integrity and delivering client satisfying services. He has also worked with various professionally managed Companies as a consultant.

Keeping in view, the experience and expertise of Mr. Rupesh P. Mehta, the Board consider it desirable that the Company should continue to receive the benefit of his valuable experience and advice and accordingly commends the same resolution, for the approval of the shareholders.

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Name of the Director	Mr. Rupesh Mehta
Date of Birth	08/04/1974
Date of appointment	20/10/2011
Experience in specific functional area	Around 11 years of experience in the field of audit, taxation, advisory, management consultancy, Risk Management, Forensic accounting etc
Directorship in other companies	NIL

Item No. 7 and 8

The Company has been managed to sustain well, under stiff and competitive market conditions under the guidance and leadership of Mr. Asit A. Patel, Managing Director and Mr. Anand A. Patel, Whole-Time Director. In light of their experiences and increased business activities of the Company, the Board of Directors at its meeting held on 11th August, 2011, on the recommendation of Remuneration Committee, approved the proposal to revise terms of appointment of Managing Director and to re-appoint Mr. Anand A. Patel as Whole-Time Director of the Company subject to your approval or any such approvals as may be required.

Pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 any kind of variation in the terms of the appointment of Managing Director and/or Re-appointment of Whole-Time Director can only be done subject to the approval of members of the Company in General Meeting. You are therefore, requested to approve the variant terms of Managing Director and reappoint Mr. Anand A. Patel as a Whole-Time Director with terms and other prerequisites as enumerated in their respective resolutions in the accompanied notice.

No other directors except Mr. Asit A. Patel, Mr. Anand A. Patel and Mr. Anil T. Patel, are in any way, concerned or interested in the above said resolutions.

Item No. 9 and 10

Mr. Anil T. Patel and Mr. Manibhai V. Patel are the Directors of the Company since incorporation and they are the only pioneers to remain intact in the ups and downs of the Company and to bring the Company to this position. Keeping in the view the increased responsibilities of the Non-Executive Directors entrusted by the Companies Act, 1956 and the Corporate Governance Regulations, it is considered appropriate for the Company to pay remuneration in the form of commission as a token of appreciations commensurate with their increased responsibilities and the contributions made by them.

It is therefore proposed that both the Non-Executive Directors be paid remuneration by way of commission to the extent of 1% per annum of the net profits of the Company, computed in accordance with the Companies Act, 1956, in such a manner and proportion as may be decided by the Board of Directors from time to time.

Section 309(4) of the Companies Act, 1956, requires a special resolution to be passed by the members of the Company in General meeting for the payment of remuneration by way of commission to Non-Executive directors of the Company. Hence, approval of members is sought for payment of commission to the said directors.

The Directors recommend the special resolutions at Item No. 9 and 10 for approval of members.

No other directors except Mr. Anil T. Patel, Mr. Manibhai V. Patel, Mr. Asit A. Patel and Mr. Anand A. Patel are in any way, concerned or interested in the above said resolutions to the extent of the commission that may be received by them in pursuance thereon.

By order of the Board of Directors

Place: Ditasan, Mehsana
Dated: 11th August, 2012

Neha Chikani Shah
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **Twenty Fifth** Annual Report for the year ended 31st March, 2012.

FINANCIAL PERFORMANCE

	(₹ in Lacs)	
	Current Year	Previous Year
	2011-12	2010-11
Sales (Net of Excise) and Other Income	22272.05	19684.29
Profit before Interest, Depreciation and Taxes	3624.31	3797.75
Less : Depreciation	349.24	294.81
Interest	465.65	427.34
Provision for Taxation	850.00	960.00
Deferred tax Liability	134.62	80.14
Earlier Years Income Tax Provision	00.00	125.00
Net Profit	1824.79	1910.46
Add : Profit & Loss Account Balance B/F	1559.17	1815.10
Amount available for proposed appropriations	3383.96	3725.56
Proposed Dividend	414.37	414.37
Proposed one-time Special Dividend	00.00	414.37
Transfer to General Reserve	1000.00	1200.00
Provision for Tax on Dividend	67.22	137.65
Balance carried to Balance Sheet	1902.36	1559.17

OPERATIONAL REVIEW

During the year under review, the Company has achieved a turnover of ₹ 22272.05 Lacs against ₹ 19684.29 Lacs in the previous year, with total expense of ₹ 186474.74 Lacs (Previous year ₹ 15886.54 Lacs). The Company's EBITDA was ₹ 3624.31 Lacs (Previous Year ₹ 3797.75 Lacs). After considering the interest charges of ₹ 465.65 Lacs, depreciation of ₹ 349.24 Lacs, provision for taxation of ₹ 850 Lacs, the Company has earned a net profit of ₹ 1824.79 Lacs as compared to net profit of ₹ 1910.46 Lacs in the previous year. The EPS of the Company for the year 2011-2012 is ₹ 11.01.

The decrease in profitability is mainly due to increase in the input cost especially raw material cost without increase in the selling price owing to market pressures.

For detailed analysis of the performance, please refer to the Management's Discussion and Analysis Section of the Annual Report.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2.50 per share on Equity Shares of the Company amounting to ₹ 414.37 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 18th September, 2012.

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, 2012, except for 86 matured but unclaimed deposits amounting to ₹ 25.75 Lacs.

CONSOLIDATED ACCOUNTS

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. 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

Pursuant to the provisions of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular No: 2/2012 dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices/registered offices of the respective subsidiary companies. The Company shall furnish a copy of the details of annual accounts of subsidiaries to any member on demand.

**ANNEXURE TO DIRECTORS' REPORT
ANNEXURE-'A'**

(A) CONSERVATION OF ENERGY:

	2011-12	2010-11
Power & Fuel Consumption		
1. Electricity:		
a) Purchased		
Units	10,32,948	11,02,505
Total Amount (₹) :	69,38,093	72,01,401
Rate/Unit (₹) :	6.72	6.53
b) Own Generation :	NIL	NIL
2. Coal :	NIL	NIL
3. Furnace Oil :	NIL	NIL
4. L P G Quantity (Kg.) :	10,735	12,806
Total cost (₹) :	6,52,002	6,42,587
Rate/unit (₹) :	60.74	50.18

(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.

Benefits derived as a result of above R & D

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

2. Technology Absorption and Innovation

Particulars of technology imported during the past 5 years:

A. (1) **Technology Imported :**

- (i) Vibratory Compactor
- (ii) Year of Import: 2007
- (iii) Has the technology been absorbed:
Technology has been partially absorbed.
- (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.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Total Foreign Exchange used and earned are as follows:

Earnings in Foreign Exchange (on accrual basis)

Particulars	31.03.2012 ₹	31.03.2011 ₹
A. Export of Goods:		
i. Direct on FOB basis	25,91,00,847	32,23,50,908
ii. Deemed Exports	47,68,500	2,71,25,500
B. Export of service	5,85,394	5,61,790
Value of imports on CIF basis (on accrual basis)		
Raw Material & Components	7,52,51,226	4,96,43,597
Capital Goods	7,49,009	51,18,638
Expenditure in foreign currency (on accrual basis)		
Travelling, After Sales Service Expenses and other expenses	69,61,647	74,80,351
Commission & other business promotion expenses	1,41,19,620	2,34,68,765

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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, 2012.

(A) EMPLOYED THROUGH OUT THE YEAR

Sr. No.	Name	Age/Yrs.	Designation	Remuneration (₹)	Qualification & Experience	Date of Employment	Last Employment	% of Equity Shares held by the employee
1.	Mr. Asit A. Patel	43 years	Managing Director	72,98,407/-	B.S. (USA) (Engineering Management) (20 Years)	01/07/1994	-	8.76%

Note : (1) The nature of appointment of Mr. Asit A. Patel is contractual.

(2) Remuneration includes Salary, Allowance, Commission, Provident Fund and taxable value of the perquisites.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Silver Jubilee year that was:

The Company has successfully completed 25 years of its business - Financial Year 2011-12 was the Silver Jubilee year for the Company. FY 2011-12 was a difficult year with the markets observing a lot of ups and downs. But your Company managed to tide through this difficult and uncertain year with a fair amount of success. It is true that no outstanding records were created during the year but the Company did manage to maintain its market share across all product lines with a significant improvement in market share in the main product line of Asphalt Batch Mix Plants. The management has and will continue to strive in protecting the interests of all the stakeholders thus justifying the trust and confidence reposed on them by the stakeholders. The management has always adopted an unbiased attitude in all its actions and has consistently followed the practice of transparency. The management firmly believes in profit sharing and has made sincere efforts to fulfill the expectations of the stakeholders.

Your Company continues with its endeavor of contributing in a positive manner to the society at large by improving on the energy efficiency levels of its products.

The Company's financial results can be summed up as follows:

1. Total Income of the Company is ₹ 22,272.05 Lacs.
2. Profit Before Tax of the Company is ₹ 2,809.41 Lacs.
3. Profit after Tax is ₹ 1,824.79 Lacs.
4. Earning per Share is ₹ 11.01.

The sale during the FY 2011-12 has increased only marginally as compared to FY 2010-11. The main reason for this low growth is a slowdown in awarding of the contracts by National Highways Authority of India due to a variety of reasons. Against the anticipated awarding of 11000 KM during the year under review, NHAI awarded only 7800 KM and out of this, tenders for 1291 KM was opened only on 30.03.2012. The state governments also did not award projects as anticipated and press reports suggest that there have been delays in the execution of rural roads as well.

The overall economic conditions in the country did not meet with the original estimates. In FY 2011-12, your Company experienced uneven periods of growth. The first half was at best a steady performance while the second half provided the major growth. Your Company was always alive to the market conditions and with a combination of dedicated efforts, experience and expertise, managed to obtain maximum mileage in a difficult environment. Taking cognizance of this difficult period, in the year under review the Company relied less on market money and met the needs primarily out of internal accruals thereby reducing the interest burden.

The detailed Management discussion and analysis report, industry wise, economy wise, product wise and in general is as follows:-

Industry Structure:

India continues to be one of the most promising of BRIC Countries. International Companies are looking at India for growth. But the trying economic conditions in many parts of the globe the industry would have witnessed a far higher level of investments.

The international companies who have established manufacturing base in India have adopted aggressive pricing policies to gain market share.

Last year, your Company divided its business into two broad verticals (SBUs)

IPG – Industrial Product Group &

MEG- Mobile Equipment Group.

This division was done taking into consideration the fundamental difference between the two product lines (as given in the Annual Report for FY 2010-11). This decision proved to be a correct one. With increased specialized focus, both the SBUs were able to deliver products and services of improved quality to the customers. This also helped in improving the lead time for delivery which is a very critical factor in this industry.

The Company will continue to harness these Strategic Business Units (SBUs) for the maximum benefit of the shareholders.

Moving forward, your Company reposes the faith in the potential of crushing & mining equipment segment and has invested on the requisite resources. The crushing and mineral processing range of equipment launched in

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FY 2008-09 has found satisfactory acceptance with the customers in India. This product line contributed 535 lacs to the Company's revenue.

The growth of the road construction industry is directly linked to Government policies of investment in this sector. The macro economic conditions shall of course play a role in the decision of the Government but looking at the commitments of the Government both at the Centre and at State Levels, it is safe to assume that the thrust on road construction shall continue without losing momentum. The total market size is reasonably large and your Company has a niche position in this segment built over the years. The quality of the product and after sales service of your Company is well appreciated by the customers in India and abroad. The ability of the Company to offer high quality at competitive prices is what differentiates it from the competition. The Company is fully cognizant of the fact that the high market share is in itself a strength as well as a threat. It stands to reason that new competitors shall benchmark Apollo. All the activities, are therefore, carried out to create an effective competitive barrier. The Company takes justifiable pride of the fact that the Brand has emerged as Mr. Reliable and the actions of the Company over the years has resulted in continued customer loyalty. With this, the Company is confident of not just retaining its high market share but also improve on it in the times to come.

The wholly owned subsidiary Apollo Maschinenbau GmbH, Germany has created a base in the eastern European countries for crushing and screening equipment. Subject to improved economic scenario in Europe, the performance of this subsidiary is expected to be good in FY 2012-13.

MAIN FOCUS AREAS AND APPLICATIONS:

The Company's major source of business is from Infrastructure development and the growth of the Company is therefore directly proportional to the growth in the Infrastructure segment, mainly road construction. The crushing & screening equipment has a wider market that includes coal, iron ore and lime stone industries.

OPPORTUNITIES, THREATS, RISK AND CONCERN:

Opportunities:-

- ◆ NHAH has taken note of the delays in financial closure of the BOT projects leading to delays in execution. So for FY 2012-13, NHAH has decided that out of the 9500 KM of roads planned to be awarded, 3000 KM shall be of the engineering procurement and construction (EPC) model. The PMO office is directly monitoring the awarding of the contracts and this will result in the awarding and execution of projects without delays in FY 2012-13.
- ◆ Market acceptance of new models of Paver Finishers
- ◆ Compactors
- ◆ New generation of Asphalt Batch Mix Plants
- ◆ The presence of the Company in Global markets and its continued thrust on Exports will help in taking a good share.

Threats, Risks and Concerns:-

- ◆ The Global Economy is going through a trying period. Growth is sluggish. The highlights of the Economic Survey FY 2011-12 reveals that even the Indian Economy is estimated to have a slower growth of 6.9% as compared to the average growth of 8.4% from 2003 to 2011. This may result in caution in the entry of foreign players and investment in India as a whole and infrastructure segment in particular.
- ◆ The share of the industrial sector in the GDP is just 27% and this sector is witnessing major ups and downs.
- ◆ Competition will be severe as the new entrants are exhibiting high aggression in pricing. This may lead to the Company not being in a position to realize higher prices for its products and services.
- ◆ This combined with higher input costs, interest charges will exert a heavy pressure on the margins.

Outlook:

The Company sees a bright outlook in the coming years. The growth in the road construction industry, can only move forward as the importance of a good road network is realized at all levels. Bottlenecks if any, shall only be for very short periods and the demand for road construction equipment shall continue to grow at 10% – 12% for the next 6-7 year's time. All the market surveys conducted by various agencies manifest this. Overall, we expect a growth of 10% – 12% with the profitability levels closer to FY 2009-10.

Internal Control Systems and their Adequacies:

The Company maintains effective and adequate internal control systems. It works in SAP environment covering the activities relating to manufacturing of equipment and distribution of spare parts across all the offices in the country. The Internal Control is formed as such to avoid unnecessary losses, and to ensure proper record of transactions, reliable financial reporting, safeguarding of assets and adherence to management policies. The Internal Control system is adequately equipped so as to suggest proper changes that are required in the system to improve performance and minimize losses.

An independent firm of Chartered Accountants, regularly carries out the internal audit of the Company. Internal audit of the Company is carried out at periodic intervals. The Officers responsible for their functions regularly submit their comments on report and share the steps they have taken to rectify the defects.

Your Company continues to be an ISO 9001 certified Company by TUV India Private Limited (TUV NORD) recognized for the production, quality control and other qualities.

Human Resources:

Your Company is a technology-driven and has its own HR policy, which focuses on qualitative & transparent recruitment, training & development, performance appraisal, employee welfare etc. The Company believes that the development of employees is the prime responsibility of an organization and its employees are key contributors to the success of its business. The Company believes that its human resources are the key to maintain its leading position in the industry. The Company provides competitive compensation packages combined with a good working culture and environment to attract and retain talented personnel.

The Company seeks to establish and maintain an environment that supports its business processes and ensures that employee performance is evaluated against the achievement of objectives, which are in line with its long-term goals. All employees are provided with KRAs and an opportunity to discuss their performance, plan their development and submit self-appraisals.

The Company's HR policy is built in such a way that the employees grow along with the growth of the Company. To instill a high level of ownership feeling, employees are involved in major decision making. The Company has well laid out performance based incentives directly related to output and achievement of targets, which are reviewed in an open and transparent fashion with the employees.

Comments on Financial Performance with respect to Operational Performance:

During the Financial year under review, the Net Turnover of the Company has increased to ₹ 22,272.05 Lacs as compared to ₹ 19,684.29 Lacs in the previous financial year. The profits of the Company though decreased as compared to the previous financial year. The Profit before Tax (PBT) has decreased from ₹ 3,075.60 Lacs to ₹ 2,809.41 Lacs, whereas, Profit after Tax has decreased from ₹ 1,910.46 Lac to ₹ 1,824.79 Lacs in the current year. The input material cost has increased from ₹ 13,388.10 Lacs to ₹ 14,209.90 Lacs. But due to competitive pressures and stagnant market size, the Company could not improve on the price realization of FY 2010-11. This was done mainly with a view to hold on to the high market share, as a recovering lost market share is not only expensive, but sometimes even impossible.

Cautionary Statement:

Statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations, predictions etc. may be "Forward statement" within the meaning of applicable laws and regulations. Actual results, performance or achievements may vary with those expressed or implied, depending upon the economic conditions, Government policies and other incidental/ unforeseeable factors. Important factors that could influence the Company's operations include input availability and prices, demand and pricing of finished goods in the Company's principal markets, changes in Government regulations, tax laws, economic developments within the Country and other incidental factors.

GUJARAT APOLLO INDUSTRIES LIMITED

REPORT ON CORPORATE GOVERNANCE (Pursuant to Clause 49 of the Listing Agreement)

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. Our 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. The Company is committed to conducting business in accordance with the highest legal and ethical standards, superior product quality and services to its customers.

BOARD OF DIRECTORS

The Board of Directors includes a Managing Director, 2 (Two) Whole-time Directors, 2 (Two) Non – Executive Directors and 3 (Three) Independent Directors, making total strength of 8 (Eight). 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 10 (Ten) Committees nor was the Chairman of more than 5 (Five) Committees across all Companies in which they are directors- The detailed Composition of the Board as on 31st March, 2012 along with 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	6	NIL	5	Yes
Mr. Manibhai V. Patel	Director	Promoter Non-Executive	3	NIL	5	Yes
Mr. Ajitkumar T. Patel	Whole-time Director	Executive Director	3	NIL	2	No
Mr. Asit A. Patel	Managing Director	Executive Director	2	2	5	Yes
Mr. Anand A. Patel	Whole-time Director	Executive Director	2	NIL	5	Yes
Dr. N. V. Vasani	Director	Independent Non-Executive	1	3	4	No
Dr. N. T. Patel	Director	Independent Non-Executive	1	1	5	No
Mr. R. C. Gosain (ceased w.e.f. 21.09.2011)	Director	Independent Non-Executive	1	3	2	No
Mr. Rupesh P. Mehta (appointed w.e.f. 20.10.2011)	Director	Independent Non- Executive	1	3	3	No

During the year 2011-12, 5 (Five) Board meetings were held, details of which are given herein below:

Date of Board Meeting	10-05-2011	12-08-2011	20-10-2011	12-11-2011	10-02-2012
No. of Directors present	07	08	06	07	08
Board Strength	08	08	08	08	08

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

The Company has adopted Codes of Conduct for Executive Directors & Senior Management and Non-Executive Directors separately. All the Directors and Senior Management personnel of the Company have affirmed compliance with the Code.

AUDIT COMMITTEE

The Audit Committee comprising of the following Directors was reconstituted by the Board of Directors in its meeting held on 20-10-2011.

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.
2. Reviewing of the Company's Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
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.
7. Obtaining outside legal or other professional advice.

The Composition of Audit committee is as under:

Name of the Director	Designation	Category
Mr. Rupesh P. Mehta	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 4 (Four) meetings on 10th May 2011, 12th August, 2011, 12th November, 2011 and 10th February, 2012. The time gap between two meetings was not more than four months.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' Grievances Committee was reconstituted by the Board of Directors on 20.10.2011 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. Rupesh P. Mehta	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 10th May, 2011, 12th November, 2011 and 10th February, 2012.

During the year under review the Company received 15 (Fifteen) Complaints. All the Complaints were resolved to the satisfaction of the Shareholders by the Company's Registrar and Share Transfer Agent. There were no pending complaints at the beginning of the year or at the end of the year.

Name and designation of Compliance Officer:

CS Neha Chikani Shah (Company Secretary)

REMUNERATION COMMITTEE

The Remuneration Committee was reconstituted by the Board of Directors at its meeting held on 20.10.2011.

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. Rupesh P. Mehta	Member	Independent Non-Executive Director

During the year the committee held 1 (One) meeting on 10th February, 2012.

GUJARAT APOLLO INDUSTRIES LIMITED

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 ₹ 72,98,407/- as Managing Director, Mr. Anand A. Patel and Mr. Ajitkumar T. Patel were paid remuneration of ₹ 43,67,804/- and ₹ 43,67,804/- as Whole-Time Directors respectively. The remuneration includes salary, commission, other perquisites and retirement benefits.

Non-Executive Directors

A Commission @ 1% is payable to Mr. Anil T. Patel, Mr. Manibhai V. Patel, the Non-Executive directors of the Company for the year 2011-12.

All the Non-Executive Directors are paid sitting fees of ₹ 2,500/- per meeting for attending the Board and Committee meetings.

The terms of reference of remuneration committee, inter alia consists of:

- Review the remuneration package, service agreement and other employment conditions of Managing Director/ Executive Director under the provisions of Companies Act, 1956.
- Decide the actual salary, allowances, perquisites retivals and increments of M.D./E.D. under the provisions of Companies Act, 1956.
- Decide the amount of commission payable to Directors of the Company under the provisions of Companies Act, 1956.

In determining the remuneration package of the M.D./E.D. under the provisions of Companies Act, 1956, the committee evaluates the remuneration paid by comparable organizations within the industry and across various industries before making its recommendations to the Board of Directors. The compensation is also linked to individual and Company performance.

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
22 nd	26.09.2009	11.30 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	-
23 rd	24.09.2010	11.30 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	-
24 th	21.09.2011	11.00 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	-

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.

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.

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 Newspapers. The Quarterly results are displayed on the Company's website www.apollo.co.in.

GENERAL SHAREHOLDERS INFORMATION

Financial Year	: 1 st April, 2012 to 31 st March, 2013.
Results for the first quarter ending 30 th June, 2012	: 11 th August, 2012
Financial Calendar (tentative & subject to change)	
a) First Quarter Results	: August, 2012
b) Second Quarter Results	: October, 2012
c) Third Quarter Results	: February, 2013
d) Fourth Quarter Results	: April/May, 2013
Annual General Meeting for the year 2011-12	
	Date : 26 th September, 2012
	Time : 11.00 A.M.
	Venue : Ditasan, Post Jagudan, State Highway, Mehsana- 382710
Date of Book-Closure	: 19 th September, 2012 to 26 th September, 2012 (Both Days inclusive)
Dividend Payment date	: The proposed dividend, if approved at the AGM, will be distributed in the month of October, 2012
Listing on Stock Exchange	: Bombay Stock Exchange Limited National Stock Exchange of India Limited
Stock Code	: 522217 (BSE) GUJAPOLLO (NSE)

MARKET PRICE DATA

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

PERIOD	SHARE PRICE OF GAEL	
	HIGH	LOW
April, 2011	155.00	150.05
May, 2011	140.00	133.50
June, 2011	136.80	134.00
July, 2011	142.85	138.15
August, 2011	134.95	129.05
September, 2011	127.95	122.05
October, 2011	134.00	131.00
November, 2011	130.95	129.05
December, 2011	134.75	127.00
January, 2012	142.00	137.00
February, 2012	144.00	138.45
March, 2012	134.95	129.05

GUJARAT APOLLO INDUSTRIES LIMITED

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012:

SHAREHOLDINGS NOMINAL VALUE ₹	SHARE HOLDERS		TOTAL NO OF SHARES	
	NUMBERS	% OF TOTAL	SHARES	% OF TOTAL
1 - 500	9081	86.01	1440432	8.69
501 - 1000	661	6.26	508673	3.07
1001 - 2000	341	3.23	486667	2.94
2001 - 3000	144	1.36	357654	2.16
3001 - 4000	59	0.56	205396	1.24
4001 - 5000	64	0.61	293267	1.77
5001 - 10000	90	0.85	667311	4.02
10000 & above	118	1.12	12615600	76.11
TOTAL	10558	100.00	16575000	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2012:

Category	No. of Shares	% of Total Shares held
1 Promotors and persons acting in concert	8395959	50.65
2 Mutual Funds	1570758	9.48
3 Banks	187	0.00
4 FIIs	239498	1.44
5 Foreign Nationals	283054	1.71
6 Bodies Corporate	1213022	7.32
7 Trust & Foundations	4442	0.03
8 Clearing Members	97553	0.59
9. Public	4770527	28.78
Total	1,65,75,000	100.00

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, whose name and address appears hereinbelow :

Link Intime India Private Limited

303, Shopper's Plaza, - V,
Opp Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad - 380009
Phone : 079 - 26465179, E-mail : ahmedabad@linkintime.co.in

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 dematerialize 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, 2012.

Particulars	No. of shares	% of total Capital	No. of Shareholders
National Securities Depository Ltd.	11642310	70.24	6912
Central Depository Services(India)Ltd.	4540895	27.40	2966
Physical	391795	2.36	680
GRAND TOTAL	1,65,75,000	100.00	10,558

PLANT LOCATION

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

ADDRESS FOR CORRESPONDENCE

Compliance Officer
The Company Secretary
GUJARAT APOLLO INDUSTRIES LIMITED
"APOLLO HOUSE",
Near Mithakhali Six Roads,
Navrangpura,
Ahmedabad- 380009
E-mail: cs@apollo.co.in

CORPORATE IDENTITY NUMBER:

The Corporate Identity Number (CIN), of the Company is L45202GJ1986PLC009042

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT 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 have been posted on its website.
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 31st March, 2012.

ASIT A. PATEL
Managing Director
(Signature of the declarant)

GUJARAT APOLLO INDUSTRIES LIMITED

CEO CERTIFICATE

[As per Clause 49(v) of the Listing Agreement]

To,
The Board of Directors,
GUJARAT APOLLO INDUSTRIES LIMITED
Ditasan, Post Jagudan, State Highway,
Mehsana - 382 710

We hereby certify that :

We have reviewed the financial statement and the cash flow statements for the year 2011-12 and that to the best of our 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 our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violant of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we 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.

We 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.

ASIT A. PATEL
Managing Director

DHARMESH MASHRU
Chief Executive Officer

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, 2012, 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, 2012, there was 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 : 11th August, 2012

A. A. THAKKAR
Sole Proprietor
Membership No.14334

GUJARAT APOLLO INDUSTRIES LIMITED

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 2012 and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Statement Profit and Loss and Cash Flow Statement dealt with by this report are in compliance 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 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 271 of the Companies Act, 1956; and

in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon 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, 2012;
- b) in the case of Statement of Profit and Loss, 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 that date.

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

Place : Ditasan, Mehsana
Dated : 11th August, 2012

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 on the basis of available information.
- (b) According to the information and explanations given to us, the Company has formulated a program 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 three parties & interest free loan to one party. In respect of said loans, the maximum amount outstanding at any time during the year is ₹ 2672.81 Lacs and year-end balance is ₹ 2569.03 Lacs.
- (b) In our opinion and according to information and explanation given to us, the rate of interest and other terms and condition of the loans given are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the above loan granted there is no stipulation as regard receipt/renewal of the principal amount.
- (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 loans secured or unsecured, from Companies, firms or other parties, covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) of the order are not applicable to the Company and hence not commented upon.
- (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 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) (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements refer to in section 301 Act, have been entered in the register required to be maintained under that section.
- (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, National Law Tribunal, National Law Board or Reserve Bank of India or any other court or any other tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
-

GUJARAT APOLLO INDUSTRIES LIMITED

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) According to the information and explanations given to us In respect of statutory dues:

- (a) The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues applicable to it.
- (b) 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) Details of dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax which have not been deposited as on 31st March, 2012 on account of any disputes are given below;

NATURE OF DISPUTE	FOR THE YEAR	AMOUNT (₹)	AUTHORITY
1) Sales Tax	1997-98	10.35 Lacs	Second Appellate (Hyderabad)
2) Service Tax	2005-2008	110.86 Lacs	Commissioner Appeals
3) Service Tax	2005-2009	20.51 Lacs	Custom Excise & Service Tax Appellate Tribunal
4) Service Tax	2006-2009	51.62 Lacs	Commissioner Appeals
5) Excise	Duty Difference	9.15 Lacs	Custom Excise & Service Tax Appellate Tribunal

- (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 given the guarantee for loans taken by one of the subsidiary from other bank. According to the information explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- (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) The Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (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 material 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 : 11th August, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

INR

Particulars	Note No.	As at 31 st March, 2012	As at 31 st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	16,57,50,000	16,57,50,000
Reserves and surplus	4	1,50,24,84,159	1,36,41,66,660
		<u>1,66,82,34,159</u>	<u>1,52,99,16,660</u>
Non-current liabilities			
Long-term borrowings	5	8,34,68,000	13,00,32,000
Deferred tax liabilities (net)	6	5,35,51,225	4,00,89,108
Other long-term liabilities	7	25,95,140	26,50,000
		<u>13,96,14,365</u>	<u>17,27,71,108</u>
Current liabilities			
Short-term borrowings	8	20,04,74,060	26,18,91,865
Trade payables	9	35,35,77,220	21,60,23,452
Other current liabilities	10	15,89,15,004	12,05,82,485
Short-term provisions	11	6,03,79,992	10,93,68,071
		<u>77,33,46,276</u>	<u>70,78,65,873</u>
TOTAL		<u>2,58,11,94,800</u>	<u>2,41,05,53,641</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12A	61,47,20,724	55,37,05,637
Intangible assets	12B	2,83,91,289	1,17,14,673
Capital working-in-Progress	13	7,88,824	2,10,32,053
Intangible assets under development		0	1,69,60,805
Investments	14.1	47,33,09,255	41,90,57,718
Loans and advances	15.1	16,37,14,708	13,86,74,435
Trade receivables	16.1	1,15,79,663	1,60,59,893
Other assets	17.1	0	13,16,000
		<u>1,29,25,04,462</u>	<u>1,17,85,21,214</u>
Current assets			
Investments	14.2	5,00,000	5,00,000
Inventories	18	34,34,41,537	43,67,19,948
Trade receivables	16.2	45,61,52,140	32,02,21,971
Cash & cash equivalents	19	10,69,69,431	13,32,05,261
Loans and advances	15.2	37,98,74,527	33,45,17,902
Other current assets	17.2	17,52,703	68,67,345
		<u>1,28,86,90,338</u>	<u>1,23,20,32,427</u>
TOTAL		<u>2,58,11,94,800</u>	<u>2,41,05,53,641</u>

Notes forming part of the Financial Statements 1 to 41

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Neha Chikani Shah

Company Secretary

For & on behalf of Board of Directors

Asit A. Patel
Managing Director

Dr. N. T. Patel
Director

Place : Ditasan, Mehsana

Dated : 11th August, 2012

Place : Ditasan, Mehsana

Dated : 11th August, 2012

GUJARAT APOLLO INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

INR

Particulars	Note No.	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Revenue from operation (Gross)	20	2,36,35,15,221	2,07,40,34,988
Less: Excise duty and service tax paid		18,57,18,022	15,30,19,142
Revenue from operation (Net)		2,17,77,97,199	1,92,10,15,846
Other income	21	4,94,07,531	4,74,13,196
Total revenue (I)		2,22,72,04,730	1,96,84,29,042
Expenses:			
Cost of material consumed	22	1,42,09,90,397	1,33,88,09,800
Changes in inventories of finished goods and Semi finished goods	23	6,39,24,230	-9,41,78,015
Employees benefits expenses	24	9,61,62,701	7,18,40,205
Other expenses	25	28,36,96,875	27,21,82,403
Total Expenses (II)		1,86,47,74,203	1,58,86,54,393
Earning Before Interest, tax, depreciation and amortisation (I)-(II)		36,24,30,527	37,97,74,649
Depreciation & amortization expenses	12	3,49,24,347	2,94,80,573
Finance costs	26	4,65,64,871	4,27,34,231
Profit/before tax		28,09,41,309	30,75,59,845
Tax expense :			
Current tax (Provision)		8,50,00,000	9,60,00,000
Deferred tax	6	1,34,62,117	80,14,023
Earlier years income tax provision		0	1,25,00,000
		9,84,62,117	11,65,14,023
Profit for the year		18,24,79,192	19,10,45,822
Earing per share	27		
Basic		11.01	12.28
Diluted		11.01	12.28
Notes forming part of the Financial Statements	1 to 41		

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar
Sole Proprietor
Membership No. 14334

Neha Chikani Shah
Company Secretary

Place : Ditasan, Mehsana
Dated : 11th August, 2012

For & on behalf of Board of Directors

Asit A. Patel
Managing Director

Dr. N. T. Patel
Director

Place : Ditasan, Mehsana
Dated : 11th August, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(in ₹)

Particulars	2011-12	2010-11
Cash flow from operating activities		
Net profit before tax and extra ordinary items	280,941,309	307,559,845
Depreciation	34,924,346	29,081,926
Interest	46,564,871	42,734,231
Profit / loss on sales of fixed assets (net)	1,366,536	1,093,142
Profit on sale of investments and other income	(16,233,146)	(10,903,506)
Interest income	(33,174,385)	(36,509,690)
Operating profit before working capital changes	314,389,532	333,055,948
Increase/(Decrease) in trade payables	137,553,768	117,861,699
Increase/(Decrease) in current liabilities & Provisions	37,824,241	60,651,689
(increase)/Decrease in trade receivables	(131,449,939)	48,839,604
(increase)/Decrease in loans and advance	(54,430,315)	24,113,517
(increase)/Decrease in inventories	93,278,411	(65,868,587)
(increase)/Decrease in other assets	6,430,642	166,264
Cash generated from / (used in) operations	403,596,340	518,820,134
Direct taxes Paid	(96,968,576)	(119,494,176)
Net cash from / (used in) operating activities (A)	306,627,764	399,325,958
Cash flow from investing activities		
Purchase of Tangible Intangible Assets/Capital Work In Progress	(91,959,227)	(98,621,718)
Sale of fixed assets	17,412,443	1,707,306
Sales and purchase of investments (net off)	(56,483,303)	(219,414,500)
Profit on sale of investments and other income	16,233,146	10,903,506
Interest received	33,174,385	36,509,690
Net cash from / (used in) investing activities (B)	(81,622,556)	(268,915,716)
Cash flow from financing activities		
increase / (decrease) in short term borrowings	(61,417,805)	49,079,302
increase / (decrease) in Long term borrowings	(46,618,860)	(42,057,484)
Interest paid	(46,564,871)	(42,734,231)
Dividend Paid and tax there on	(96,639,502)	(48,479,803)
Net cash from / (used in) financing activities (C)	(251,241,039)	(84,192,216)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(26,235,831)	46,218,026
Cash and cash equivalents at the beginning of the year	133,205,262	86,987,235
Cash and cash equivalents at the end of the year	106,969,431	133,205,261

Notes forming part of the Financial Statements

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Neha Chikani Shah

Company Secretary

For & on behalf of Board of Directors

Asit A. Patel

Managing Director

Dr. N. T. Patel

Director

Place : Ditasan, Mehsana

Dated : 11th August, 2012

Place : Ditasan, Mehsana

Dated : 11th August, 2012

GUJARAT APOLLO INDUSTRIES LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012.

1. BACKGROUND

Gujarat Apollo Industries Limited (APOLLO) was incorporated as a joint venture between Apollo Earthmovers Pvt. Limited and Gujarat Industrial Investment Corporation Limited (GIIC) on 7th October, 1986 to manufacturing of different types of Road Construction & Maintenance Machinery catering to the needs of the majority of the road construction companies in India and many parts of the world. Company has consistently offered the latest technology products by entering into technology tie up with the some of the world's leading players in the industry. The technology sourced is constantly developed by the R & D team of your Company based on customer feedback. Adoption of Continuous Improvement Program as a standard practice across the board, the company's products have over the years maintained a very high uptime, which is critical to stay in the lead. The equipment manufactured by the Company as well as its subsidiary are widely used in all the NHAI & State Highways projects and the products are in line with the laid down specifications of the Government. Export has always been a thrust area and today the Company's equipment are used in more than 50 countries including Australia, New Zealand, Kingdom of Saudi Arabia, Algeria to name a few.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A) 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. The mandatory applicable accounting standards in India and the provisions of Companies Act, 1956 have been followed in preparation and presentation of these financial statements.

During the year, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

i) Use of Estimates:

The preparation of financial statements in conformity with Accounting Standards requires, the management to make judgments, estimates and assumptions that affects the reported amounts, at the end of the reporting period. Although these estimated are based on the management's best knowledge of current events and actions, uncertainty about thee assumptions ad estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

B) 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 up gradations/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.

An intangible asset, 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 intangible asset is ready for use.

C) Depreciation and Amortization

Depreciation is being provided on all tangible assets on "weighted average method" as per the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Intangible assets are recognized when it is probable that the future economics benefits that are attributable to the assets will flow to enterprise and the cost of the assets measure reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at the cost less accumulated and impairment loss if any.

D) 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.

E) Foreign currency transactions, forward contract.

Foreign currency transaction

Transaction in foreign currency are recorded at the exchange rate prevail on the date of transaction, exchange difference arise on account of difference between transaction date and settlement/period end date are recognized in the statement of profit and loss for the year. All monetary assets and liabilities in the foreign currency are translated at the year end rate of relevant currency.

Forward contracts

Company generally in the practice to take forward contract to cover its foreign exchange risk related to export and import obligation. All premium and discount are accounted in statement of profit and loss in the year it pertains.

F) 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.

G) 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

GUJARAT APOLLO INDUSTRIES LIMITED

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.

H) 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.

I) Investments

Investments are recognized and valued as per the the period of holding intended by management, further bifurcated as a current and non current as per the requirements of revised schedule VI of Companies Act, 1956. Current investments are valued at cost and fair value as on balance sheet date, which ever is low. Non current investments are valued at historical cost unless and otherwise there is a significant diminution in the value of investment.

J) Borrowing Cost

Interest and other cost incurred in connection with the borrowings of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready to its intended use, such cost are capitalized with fixed assets .

K) 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 statement of profit and loss 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

L) 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.

M) Segment Reporting

Segment Reporting as per Accounting Standard 17:

The Company operates in the segment of manufacturing road and construction machinery. The analysis of geographical segment is based on the area in which the products of the Company sold.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Particulars	31 st March, 2012 INR	31 st March, 2011 INR		
3 SHARE CAPITAL				
Authorized share capital				
20,000,000 Equity shares of ₹ 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>		
Issued, subscribed and fully paid up				
16,575,000 Equity shares of ₹ 10/- each	<u>16,57,50,000</u>	<u>16,57,50,000</u>		
Total	<u><u>16,57,50,000</u></u>	<u><u>16,57,50,000</u></u>		
The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitle to one vote per share.				
A) Reconciliation of the shares outstanding at beginning and end of the reporting period :				
16,575,000 Equity shares outstanding at the beginning of the year	<u>16,57,50,000</u>	<u>16,57,50,000</u>		
Change during the year	<u>0</u>	<u>0</u>		
16,575,000 Equity shares outstanding at the end of the year	<u><u>16,57,50,000</u></u>	<u><u>16,57,50,000</u></u>		
B) Details of shareholders holding more than 5% shares in the company :				
Name of shareholder	No of share	%	No of share	%
Mr. Asit A. Patel	14,52,145	8.76	14,52,145	8.76
Mr. Anand A. Patel	11,89,000	7.17	11,89,000	7.17
Apollo Infratech Pvt. Ltd.	9,21,401	5.56	9,21,401	5.56
C) 90,25,000 (1,25,25,000) Shares out of the issued, subscribed paid up shares capital were allotted as Bonus Shares in last five years by capitalization of Securities Premium and Reserves.				
4 RESERVES AND SURPLUS				
Security premium reserve	<u>9,35,00,000</u>	<u>9,35,00,000</u>		
General reserve				
Opening balance	1,11,47,50,000	99,47,50,000		
Add: Transfer from the statement of Profit & Loss	<u>10,00,00,000</u>	<u>12,00,00,000</u>		
Closing balance	<u><u>1,21,47,50,000</u></u>	<u><u>1,11,47,50,000</u></u>		
Surplus in the statement of Profit & Loss				
Balance as per last year	15,59,16,660	18,15,10,340		
Profit for the year	18,24,79,192	19,10,45,822		
Less: Appropriations				
Proposed dividend	-4,14,37,500	-8,28,75,000		
Tax on proposed dividend	-67,22,198	-1,37,64,502		
Transfer to general reserve	-10,00,00,000	-12,00,00,000		
Net surplus in the statement of Profit & Loss	<u><u>19,02,36,154</u></u>	<u><u>15,59,16,660</u></u>		
Foreign Currency Translation Reserve	<u>39,98,005</u>	<u>0</u>		
Total	<u><u>1,50,24,84,159</u></u>	<u><u>1,36,41,66,660</u></u>		
5 LONG-TERM BORROWINGS				
Deposits: (Unsecured)				
Public	2,79,68,000	7,24,32,000		
Shareholders	<u>5,55,00,000</u>	<u>5,76,00,000</u>		
Total	<u><u>8,34,68,000</u></u>	<u><u>13,00,32,000</u></u>		

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
6 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities	4,00,89,108	3,20,75,085
Current deferred tax liabilities	1,34,62,117	80,14,023
Total	5,35,51,225	4,00,89,108
7 OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on borrowings	25,95,140	26,50,000
8 SHORT-TERM BORROWINGS		
Secured		
Cash credit with State Bank Of India	13,48,42,955	22,61,18,877
Above cash credits are secured against Current Assets, entire Fixed Assets and property situated at Ditasan (Mehsana), office premises at Ahmedabad and Corporate Guarantee of Apollo Earthmovers Limited.		
Overdraft with Dena Bank	0	3,52,77,713
Above borrowing is secured against Term Deposit Receipts.		
Unsecured		
Loan from Directors	72,00,000	2,00,000
Loan from corporate bodies	5,84,31,105	2,95,275
Total	20,04,74,060	26,18,91,865
9 TRADE PAYABLES		
Trade payables (Refer note no. 38 for Micro, Small and Medium enterprises outstanding)	35,35,77,220	21,60,23,452
	35,35,77,220	21,60,23,452
10 OTHER LIABILITIES		
Current Liabilities of long-term borrowings	8,42,25,000	4,43,06,000
Interest accrued but not due on borrowings	81,07,783	74,57,889
Unpaid dividend	39,73,691	37,08,373
TDS payable	25,45,484	13,57,777
Advance from customers	3,97,44,101	4,30,60,372
Unpaid liabilities	2,03,18,945	2,06,92,074
Total	15,89,15,004	12,05,82,485
11 SHORT TERM PROVISIONS		
Provision for dividend and dividend tax	4,81,59,698	9,66,39,502
Provision for Managerial remuneration	1,22,20,294	1,27,28,569
Total	6,03,79,992	10,93,68,071

NOTE 12 : FIXED ASSETS

Sr. No.	Assets Description	GROSS BLOCK (AT COST)				DEPRECIATION / IMPAIRMENT				NET BLOCK	
		As on 01.04.2011 (₹)	Additions During the year (₹)	Deduction During the year (₹)	Total As on 31-3-2012 (₹)	Upto 31-03-2011 (₹)	Deduction during the year (₹)	For the year 2011-2012 (₹)	Total as on 31-3-2012, (₹)	As on 31-3-2012 (₹)	As on 31-3-2011 (₹)
(A)	Tangible Assets										
1	Freehold Land	14,29,89,197	1,66,84,751	0	15,96,73,948	0	0	0	0	15,96,73,948	14,29,89,197
2	Office Premises	3,01,89,425	61,79,541	0	3,63,68,966	30,57,025	0	6,53,097	37,10,122	3,26,58,844	2,71,32,400
3	Factory Building	17,85,92,202	2,51,09,920	0	20,37,02,122	2,10,43,400	0	59,94,285	2,70,37,685	17,66,64,437	15,75,48,802
4	Worker's Quarters	1,05,83,127	0	0	1,05,83,127	5,21,217	0	1,72,505	6,93,722	98,89,405	1,00,61,910
5	Plant & Machinery	21,49,43,981	4,23,64,485	2,06,12,683	23,66,95,784	6,22,80,171	22,05,488	1,00,03,283	7,00,77,966	16,66,17,817	15,26,63,810
6	Electrical Installation	70,65,106	0	0	70,65,106	28,63,903	0	2,05,039	30,68,942	39,96,164	42,01,203
7	Furniture & Fixtures	2,29,55,379	35,40,447	1,51,974	2,63,43,853	69,18,832	1,25,825	15,32,274	83,25,282	1,80,18,571	1,60,36,547
8	Office Equipments	2,80,58,879	83,82,327	1,58,304	3,62,82,902	1,13,48,579	1,02,714	38,08,997	1,50,54,862	2,12,28,040	1,67,10,300
9	Vehicles	3,31,09,960	36,41,349	3,60,588	3,63,90,721	67,48,494	70,543	37,39,274	1,04,17,225	2,59,73,497	2,63,61,467
	Total (12A)	66,84,87,258	10,59,02,820	2,12,83,549	75,31,06,530	11,47,81,622	25,04,570	2,61,08,754	13,83,85,806	61,47,20,724	55,37,05,637
(B)	Intangible Assets										
10	Technical Knowhow	2,19,19,136	1,69,60,806	0	3,88,79,942	1,60,42,440	0	41,68,651	2,02,11,091	1,86,68,851	58,76,696
11	Capitalised Software	1,20,96,618	61,78,695	0	1,82,75,313	62,58,641	0	22,94,234	85,52,875	97,22,438	58,37,977
	Total (12B)	3,40,15,753	2,31,39,502	0	5,71,55,255	2,23,01,081	0	64,62,886	2,87,63,966	2,83,91,289	1,17,14,673
(C)	Assets treated as an investment										
12	Freehold Land	33,01,270	0	0	33,01,270	0	0	0	0	33,01,270	33,01,270
13	Office Premises	24,25,748	0	0	24,25,748	5,80,987	0	39,540	6,20,527	18,05,221	18,44,761
14	Factory Building	1,89,67,151	0	0	1,89,67,151	10,88,806	0	6,33,503	17,22,309	1,72,44,842	1,78,78,345
15	Plant & Machinery	3,29,11,909	1,20,940	0	3,30,32,849	42,29,616	0	15,66,260	57,95,876	2,72,36,973	2,86,82,293
16	Furniture & Fixtures	16,09,968	0	0	16,09,968	13,94,342	0	1,01,911	14,96,253	1,13,715	2,15,626
17	Office Equipments	1,37,831	0	0	1,37,831	9,408	0	11,492	20,900	1,16,931	1,28,423
	Total (12C)	5,93,53,877	1,20,940	0	5,94,74,817	73,03,159	0	23,52,706	96,55,865	4,98,18,952	5,20,50,718
	Total (12A+12B+12C)	76,18,56,889	12,91,63,262	2,12,83,549	86,97,36,602	14,43,85,861	25,04,570	3,49,24,346	17,68,05,638	69,29,30,964	61,74,71,027
	Total previous year	62,96,50,767	13,84,65,001	62,58,880	76,18,56,889	11,87,62,367	34,58,432	2,90,81,926	14,43,85,861	61,74,71,027	51,08,88,400

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
13 CAPITAL WORK-IN-PROCESS		
Tangible	7,88,824	2,10,32,053
Intangible	0	1,69,60,805
Total	7,88,824	3,79,92,858
14 INVESTMENTS		
14.1 Investment in Property	5,94,74,817	5,93,53,877
Less: Depreciation	-96,55,865	-73,03,159
Net block (Refer note 12C in note 12)	4,98,18,952	5,20,50,718
Trade investments		
Unquoted		
Investment in subsidiaries	31,25,33,000	31,25,33,000
1199990 (P.Y. 1199990) Equity shares of ₹ 10 each fully paid-up in Apollo Earthmovers Ltd.		
Investment in-Apollo Maschinenbau GmbH (For current value, refer Note No. 36)	9,89,27,303	3,79,44,000
Investment in Associate		
80000 (P.Y. 80000) Equity shares of ₹ 10 each in Apollo Construction Equipments Ltd.	1,20,30,000	1,20,30,000
	42,34,90,303	36,25,07,000
Non-trade investments		
Unquoted		
Investment In Partnership firm Apollo Quarry Works	0	45,00,000
	0	45,00,000
	47,33,09,255	41,90,57,718
14.2 Unquoted mutual funds		
SBI - MUTUAL FUND: 50000 units of Rs 10 each fully paid-up of SBI Infrastructure Fund (Market Value ₹ 4,14,185/-)	5,00,000	5,00,000
Total	5,00,000	5,00,000
A) Details of investment in partnership firm		
Name of the partners	Share of profit/ loss(%)	Share of profit/ loss(%)
1) NG Projects Ltd.	Nil	35
2) Maulik Manibhai Patel	Nil	25
3) Dipak V. Patel	Nil	25
4) Gujarat Apollo Industries Ltd.	Nil	15
(Above percentage is as per last year, partnership firm has been dissolved during current year)		

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
15 LOANS AND ADVANCES		
15.1 Advance recoverable in cash or kind	10,56,25,453	10,38,92,435
Inter corporate deposits	5,80,89,255	3,47,82,000
Total	16,37,14,708	13,86,74,435
(A) Above loan includes Due from Associates and Subsidiaries in which director is a director/member.	5,80,89,255	3,47,82,000
15.2 Advance recoverable in cash or kind	7,33,43,738	1,58,31,834
Inter corporate deposits	22,21,20,674	24,14,79,703
Prepaid expenses	24,46,279	14,70,320
Balance with statutory bodies	4,76,91,594	5,34,32,381
Advance income-tax (net of provision)	3,42,72,243	2,23,03,665
Total	37,98,74,528	33,45,17,903
(B) Above loan includes Due from Associates and Subsidiaries in which director is a director/member	22,21,20,674	24,05,15,242
16 TRADE RECEIVABLES		
16.1 Unsecured, considered goods unless stated otherwise Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, considered goods	1,15,79,663	1,60,59,893
(A)	1,15,79,663	1,60,59,893
16.2 Unsecured, considered goods unless stated otherwise Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, considered goods	9,84,22,856	6,74,90,726
	9,84,22,856	6,74,90,726
Outstanding for a period Less than six months from the date they become due for payment		
Secured, considered goods	4,56,18,997	2,41,56,512
Unsecured, considered goods	31,21,10,287	22,85,74,733
	35,77,29,284	25,27,31,245
(B)	45,61,52,140	32,02,21,971
Total (A+B)	46,77,31,803	33,62,81,864
17 OTHER ASSETS		
17.1 Deposits in Sardar Sarovar Nigam Ltd.	0	13,16,000
(A)	0	13,16,000
17.2 Unsecured, considered goods unless stated otherwise		
Interest accrued on investments	4,36,703	68,67,345
Deposits in Sardar Sarovar Nigam Ltd.	13,16,000	0
(B)	17,52,703	68,67,345
Total (A)+(B)	17,52,703	81,83,345

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
18 INVENTORIES		
Raw material and bought out spares	14,91,66,327	17,88,39,872
Stores & tools	46,60,848	43,41,484
Semi finished goods	10,57,51,037	17,65,08,724
Finished goods	8,38,63,325	7,70,29,868
Total	34,34,41,537	43,67,19,948
19 CASH AND BANK BALANCES		
Cash on hand	39,34,758	43,10,471
Balances with banks:		
On current account	1,55,59,382	6,31,84,818
On unpaid dividend accounts	39,75,291	37,09,973
Deposits with original maturity of less than 3 months	7,35,00,000	0
	9,69,69,431	7,12,05,262
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	0	5,00,00,000
Fixed Deposit held as margin money against Bank Guarantee & Letter of Credit	1,00,00,000	1,20,00,000
	1,00,00,000	6,20,00,000
Total	10,69,69,431	13,32,05,262
20 REVENUE FROM OPERATIONS		
Sale of Road Construction and maintenance machineries and spares thereof	2,30,34,36,940	2,04,64,17,027
Sale of services	4,12,18,179	85,49,388
Other operating revenue		
Sale of scraps	1,68,01,995	1,72,55,939
Duty draw back	20,58,108	18,12,633
Gross total	2,36,35,15,221	2,07,40,34,988
Less: excise duty and service tax paid	18,57,18,022	15,30,19,142
Total	2,17,77,97,199	1,92,10,15,846
21 OTHER INCOME		
Interest income	3,31,74,385	3,65,09,690
Miscellaneous/Other Income	1,62,33,146	1,09,03,506
Total	4,94,07,531	4,74,13,196
22 COST OF RAW MATERIAL AND COMPONENTS CONSUMED		
Iron & Steel	39,86,09,775	42,38,69,042
Components	1,02,23,80,622	91,49,40,758
Total	1,42,09,90,397	1,33,88,09,800
Closing stock of raw material and components		
Iron & Steel	4,14,70,369	5,05,90,572
Components	10,76,95,957	12,82,49,300
Total	14,91,66,326	17,88,39,872

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
23 (INCREASE)/DECREASE IN INVENTORIES		
Opening stock		
Semi finished goods	17,65,08,724	9,99,76,460
Finished goods	7,70,29,868	5,93,84,117
	<u>25,35,38,592</u>	<u>15,93,60,577</u>
Closing stock		
Semi finished goods	10,57,51,037	17,65,08,724
Finished goods	8,38,63,325	7,70,29,868
	<u>18,96,14,362</u>	<u>25,35,38,592</u>
Total	<u>6,39,24,230</u>	<u>-9,41,78,015</u>
24 EMPLOYEE BENEFITS EXPENSES		
Salary and wages	8,23,50,182	5,87,59,127
Contribution to provident fund	30,81,747	29,10,608
Staff welfare expenses	56,44,363	48,51,294
Bonus and gratuity	50,86,409	53,19,176
Total	<u>9,61,62,701</u>	<u>7,18,40,205</u>
25 OTHER EXPENSES		
Stores & tools consumed	3,35,82,675	3,19,46,244
Power & fuel	71,49,276	71,53,536
Labour charges	3,13,80,968	3,23,34,096
Factory expenses	48,67,905	51,92,423
Transportation, cartage and octroi (inward)	33,81,204	18,60,038
Repairs to plant and machinery	34,62,482	38,72,244
Office and administrative expenses (Including director's sitting fees ₹ 82500/- {Previous year ₹ 55000/-})	87,99,357	57,10,976
Postage, telephone and telex expenses	61,74,448	58,19,649
Travelling and conveyance	1,64,38,425	1,45,89,011
Stationary and printing expenses	15,54,349	12,21,766
Professional charges	2,28,46,076	2,18,44,953
Miscellaneous expenses	1,39,23,619	75,70,372
Vehicle running and maintenance	50,66,149	39,42,852
Director's remuneration	1,89,83,900	1,60,94,169
Bad debts written off (net off bad debts recovered)	11,56,750	1,19,72,480
Loss on sale of assets (net)	13,66,536	10,93,142
Erection and after sales service	1,90,94,829	2,02,30,922
Advertisement and sale promotion	1,89,21,324	2,48,17,995
Commission on sales	1,19,67,241	1,07,23,168
Freight outward	5,35,79,362	4,41,92,371
Total	<u>28,36,96,875</u>	<u>27,21,82,403</u>
26 FINANCE COST		
Interest	4,24,14,073	3,39,20,446
Bank charges & commission	38,51,034	41,54,614
Brokerage & commission	2,99,764	14,11,200
Foreign exchange rate difference	0	32,47,970
Total	<u>4,65,64,871</u>	<u>4,27,34,231</u>

GUJARAT APOLLO INDUSTRIES LIMITED

27 EARNINGS PER SHARE

	<u>31.03.2012</u>	<u>31.03.2011</u>
a) Total number of equity shares outstanding at the end of the year	1,65,75,000	1,65,75,000
b) Net profit after tax available for equity Shareholders	18,24,79,192	20,35,45,822
c) Basic and Diluted Earnings (in ₹) per share	11.01	12.28
d) Diluted Earning (in ₹) per share	11.01	12.28

28 DEFERRED TAX

	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
A. Deferred Tax Liability Related to Fixed Assets: The break up of net deferred tax liability as at 31 st March, 2012 is as under.	4,00,89,108	3,20,75,086
B. Fixed Assets: impact of difference between tax depreciation and depreciation charged for	1,34,62,117	80,14,022
C. Deferred Tax Liability (net)	5,35,51,225	4,00,89,108

Particulars	<u>31.03.2012</u>	<u>31.03.2011</u>
	₹	₹

29 EARNINGS IN FOREIGN EXCHANGE (on accrual basis)

A. Export of Goods:		
i. Direct on FOB basis	25,91,00,847	32,23,50,908
ii. Deemed Exports	47,68,500	2,71,25,500
B. Export of service	5,85,394	5,61,790

30 VALUE OF IMPORTS ON CIF BASIS (on accrual basis)

Raw Material & Components	7,52,51,226	4,96,43,597
Capital Goods	7,49,009	51,18,638

31 EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

Traveling, After Sales Service Expenses and other expenses	69,61,647	74,80,351
Commission & other business promotion expenses	1,41,19,620	2,34,68,765

32 CONTINGENT LIABILITIES

I. In respect of Bank Guarantees issued by Banks	2,22,93,630	5,22,80,981
II. In respect of Letter of Credit issued by Banks	13,05,070	54,09,554
III. Director General of Foreign Trade, Demand not acknowledge by the company	1,60,96,767	1,60,96,767
IV. In respect of Sales Tax and Service Tax Demand	1,93,33,781	40,13,168
V. 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)	1,01,33,537	75,62,540
VI. In respect of corporate guarantee given to one of the subsidiary	1,89,33,750	1,78,47,500

33 AUDITORS' REMUNERATION (Excluding service tax)

i. Audit Fee	3,50,000	3,00,000
ii. Other Services	1,50,000	1,00,000
iii. Reimbursement of out of pocket expenses	31,543	29,283
Total	<u>5,31,543</u>	<u>4,29,283</u>

34 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:

Description	2011-12 ₹	2010-11 ₹
Export Sales	25,96,86,241	32,29,12,698
Domestic Sales	2,10,38,28,980	1,75,11,22,290
Total	2,36,35,15,221	2,07,40,34,988

35 DETAILS OF RAW MATERIAL CONSUMED

Particulars	31.03.2012		31.03.2011	
	%	Amount	%	Amount
Imported	04.66	6,62,86,949	04.38	6,47,20,404
Indigenous	95.34	1,35,47,03,448	95.17	1,27,40,89,396
Total	100.00	1,42,09,90,397	100.00	1,33,88,09,800

- 36 There is diminution in the value of investment in Apollo Maschinenbau, GmbH, Germany, to the extent of ₹ 3,86,86,181/- (on the basis of annual accounts of this subsidiary as on 31-03-2012) for which no provision has been made since the management is expecting positive turnaround in coming years.
- 37 During the year Company has changed its accounting system for retention/unrealized sales to more accurate method to account for full invoice value in the same year, due to which the sales and profit for the year is higher by ₹ 1,37,39,054/- (net amount).
- 38 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 Act have not been given.
- 39 During the year company has donated the amount of ₹ 200,000/- (P.Y.-Nil) to Bhartiya Janta Party.

40 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.

GUJARAT APOLLO INDUSTRIES LIMITED

	Amount in ₹			
Details of Provision for Gratuity	GRATUITY		LEAVE ENCASHMENT	
PARTICULARS	2011-12	2010-11	2011-12	2010-11
Defined Benefit Obligation	1,41,69,117	1,15,17,325	36,22,218	30,63,089
Fair Value of Plan Assets	1,70,97,730	1,38,74,148	40,09,506	37,64,749
Plan (Assets)Liabilities	-29,28,613	-23,56,823	-3,87,288	-7,01,660
Change in defined benefit obligation				
Present Value of Obligation as at beginning of year	1,15,17,325	84,85,983	30,63,089	23,61,253
Current Service Cost	14,32,930	10,92,504	1,79,150	2,16,491
Interest Cost	9,21,386	6,78,879	2,45,047	1,88,900
Actuarial (Gain)/Loss on obligation	6,26,506	15,41,718	2,68,834	3,76,455
Benefit Paid	-3,29,030	-2,81,759	-1,33,902	-80,010
Defined Benefit Obligation, end of the year	1,41,69,117	1,15,17,325	36,22,218	30,63,089
Change in fair value of Plan Assets				
Fair Value of Plan Assets, at beginning of the year	1,38,74,148	1,05,33,686	37,64,749	25,45,842
Expected return on plan assets	12,63,606	9,65,900	3,42,250	2,56,364
Contribution by Employer	22,89,006	26,56,321	36,409	10,42,553
Benefit Paid	-3,29,030	-2,81,759	-1,33,902	-80,010
Actuarial (Gain)/Loss on plan assets	0	0	0	0
Fair Value of Plan assets at the end of year	1,70,97,730	1,38,74,148	40,09,506	37,64,749
Net Period Gratuity Cost				
Current Service Cost	14,32,930	10,92,504	1,79,150	2,16,491
Interest Cost on Benefit obligation	9,21,386	6,78,879	2,45,047	1,88,900
Net Actuarial (Gain)/Loss recognized in the year	6,26,506	15,41,718	2,68,834	3,76,455
Expected return on plan assets	-12,63,606	-9,65,900	-3,42,250	-2,56,364
Net benefit Expenses	17,17,216	23,47,201	3,50,781	5,25,482

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 %
Salary escalation	7%

41 RELATED PARTY DISCLOSURES
A. List of related parties with whom transactions have taken place during the year

i	Name of the related parties	Short Name	Nature of the relationship
(a)	Apollo Industries & Projects Limited	AIPL	Associate
(b)	Apollo Earthmovers Limited	AEML	Subsidiary
(c)	Circuit Systems India Limited	CSIL	Associate
(d)	Apollo Maschinenbau GmbH, Germany	AMG	Subsidiary
(e)	Apollo Quarry Works	AQW	Associate
(f)	Zam Zam Exports Limited	ZZEL	Associate
(g)	Apollo Construction Equipments Limited	ACEL	Associate
ii	Key Managerial Personnel		
(a)	Mr. Asit A. Patel	KMP	Managing Director
(b)	Mr. Anand A. Patel	KMP	Whole-Time Director
(c)	Mr. Anil T. Patel	KMP	Director
(d)	Mr. Ajitkumar T. Patel	KMP	Whole-Time Director
(e)	Mr. Manibhai V. Patel	KMP	Director

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

(Amount in INR)

Particulars		AIPL	CSIL	AQW	ZZEL	ACEL	AEML	AMG	KMP
Sales Service and other income	Current Year	-	-	35,65,170	-	1,86,94,671	2,11,77,769	2,42,92,983	-
	Previous Year	-	-	55,53,091	-	11,13,222	1,83,22,537	90,03,489	-
Purchase of raw Material and Components and Services	Current Year	-	-	-	-	10,16,25,515	15,78,42,451	72,48,641	-
	Previous Year	-	-	-	-	7,80,79,915	13,04,90,504	-	-
Interest and other expenditure	Current Year	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	2,38,871	-	3,74,795	-	-
Intercompany Deposits Placed/ (Received) net amount	Current Year	(92,50,000)	(1,00,03,888)	-	-	-	(7,84,52,101)	1,93,09,250	70,00,000
	Previous Year	(9,00,00,000)	50,00,000	-	-	-	2,00,00,000	63,56,281	(82,00,000)
Interest income	Current Year	2,46,45,411	6,94,772	6,62,507	-	-	11,18,062	-	-
	Previous Year	2,72,87,741	7,71,058	-	8,47,134	-	-	-	-
Salary Commission On profit	Current Year	-	-	-	-	-	-	-	1,89,83,900
	Previous Year	-	-	-	-	-	-	-	1,60,94,169
Purchase of capital assets Outstanding balance	Current Year	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	1,55,72,000
as on 31 st March, 2012 Due to Company	Current Year	-	-	2,40,94,858	-	60,68,618	29,46,826	1,64,98,402	-
	Previous Year	-	-	2,05,29,689	-	51,09,320	72,86,468	60,08,867	-
Payable by Company	Current Year	-	-	-	-	3,09,13,010	11,41,45,106	-	7,49,714
	Previous Year	-	-	-	-	1,68,60,065	4,15,81,681	30,71,509	10,42,750
Intercompany deposits (receivable)/payable	Current Year	22,21,20,673	-	-	-	-	(5,81,14,230)	5,80,89,255	7,20,00,000
	Previous Year	20,91,89,804	1,03,78,593	-	-	-	2,09,46,845	3,47,82,000	2,00,000

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.
Chartered Accountants

Firm No. 100571W

A.A. Thakkar
Sole Proprietor

Membership No. 14334

Neha Chikani Shah
Company Secretary
For & on behalf of Board of Directors
Asit A. Patel
Managing Director
Dr. N. T. Patel
Director

Place : Ditasan, Mehsana

 Dated : 11th August, 2012

Place : Ditasan, Mehsana

 Dated : 11th August, 2012

GUJARAT APOLLO INDUSTRIES LIMITED**Statement Pursuant to General Exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies**

Sr. No.	Particulars	Name of the Subsidiary Company	
		Apollo Earthmovers Limited	Apollo Maschinenbau GmbH
1	Country of Incorporation	India	Germany
2	Reporting Currency	INR	Euro
3	Capital	1,20,00,000	9,89,27,303
4	Reserve	61,21,44,505	(3,65,88,020)
5	Total Assets	81,21,88,751	19,13,28,933
6	Total Liabilities	18,80,44,246	12,89,89,650
7	Investments	5,56,79,111	0
8	Turnover	65,39,23,289	5,61,10,089
9	Profit Before Taxation	10,42,06,732	(1,41,46,098)
10	Provision for Taxation	3,25,00,000	0
11	Profit After Taxation	6,81,56,840	(1,41,46,098)
12	Proposed Dividend	0	0

Note :

Financial Statements of German Subsidiary is converted into Indian Rupees at the rate prevailing on the closing day of the financial year.

CONSOLIDATED 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, 2012 and also the Statement of Consolidated Profit and Loss 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, in so far 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 ₹ 8121.89 Lacs as at 31st March, 2012, the total revenue of ₹ 6539.23 Lacs, net profit of ₹ 681.57 Lacs and net cash outflow amounting to ₹ 349.67 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, in so far 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 31, 2012 which was complied by management of that Company, were not audited, any adjustment to their balances could have consequential effects on the attached consolidate 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 ₹ 1913.28 Lacs as at 31st March, 2012, the total revenue of ₹ 561.10 Lacs, net loss of ₹ 141.46 Lacs and net cash outflow amounting to ₹ 0.44 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 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, 2012;
 - b) in the case of Statement Consolidated Profit and Loss, 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 : 11th August, 2012

A.A. THAKKAR

Sole Proprietor

Membership No.14334

GUJARAT APOLLO INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

INR

Particulars	Note No.	As at 31 st March, 2012	As at 31 st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	16,57,50,000	16,57,50,000
Reserves and surplus	4	1,80,59,91,669	1,62,16,72,603
		<u>1,97,17,41,669</u>	<u>1,78,74,22,603</u>
Non-current liabilities			
Long-term borrowings	5	11,43,81,602	14,52,64,193
Deferred tax liabilities (net)	6	6,37,49,862	4,67,37,853
Other long-term liabilities	7	25,95,140	26,50,000
		<u>18,07,26,604</u>	<u>19,46,52,046</u>
Current liabilities			
Short-term borrowings	8	25,15,49,218	27,37,19,049
Trade payables	9	28,03,79,949	21,83,82,366
Other current liabilities	10	20,20,94,209	15,94,27,742
Short-term provisions	11	6,54,50,992	11,79,55,071
		<u>79,94,74,368</u>	<u>76,94,84,229</u>
Minority Interest		5,201	4,633
TOTAL		<u>2,95,19,47,842</u>	<u>2,75,15,63,511</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12A	75,26,24,242	63,75,49,231
Intangible assets	12B	6,66,99,038	5,57,62,576
Capital working-in-Progress	13	27,16,012	3,79,92,859
Non-current investments	14.1	11,75,28,063	12,72,59,829
Long-term loans & advances	15.1	10,77,41,809	10,50,38,364
Trade receivables	16.1	1,15,79,663	1,60,59,893
Other assets	17.1	0	13,16,000
		<u>1,05,88,88,827</u>	<u>98,09,78,752</u>
Current assets			
Current Investments	14.2	5,00,000	5,00,000
Inventories	18	61,92,87,379	68,78,25,870
Trade receivables	16.2	50,08,36,791	35,57,16,498
Cash & cash equivalents	19	14,76,95,687	18,84,94,467
Short-term loans & advances	15.2	61,72,71,775	52,54,65,899
Other current assets	17.2	74,67,383	1,25,82,025
		<u>1,89,30,59,015</u>	<u>1,77,05,84,759</u>
TOTAL		<u>2,95,19,47,842</u>	<u>2,75,15,63,511</u>

Notes forming part of the
Consolidated Financial Statements

1 to 36

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Neha Chikani Shah

Company Secretary

For & on behalf of Board of Directors

Asit A. Patel
Managing Director

Dr. N. T. Patel
Director

Place : Ditasan, Mehsana

Dated : 11th August, 2012

Place : Ditasan, Mehsana

Dated : 11th August, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

INR

Particulars	Note No.	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Revenue from operation (Gross)	20	2,89,83,39,842	3,05,60,10,101
Less: Excise duty and service tax paid		24,43,18,092	23,77,50,160
Revenue from operation (Net)		2,65,40,21,750	2,81,82,59,941
Other income	21	8,07,04,215	5,77,79,374
Total revenue (I)		2,73,47,25,966	2,87,60,39,315
Expenses:			
Cost of material consumed	22	1,74,84,50,262	2,03,13,79,294
Changes in inventories of finished goods and Semi finished goods	23	4,34,79,573	-16,16,08,048
Employees benefits expenses	24	15,78,45,446	12,65,80,212
Other expenses	25	31,61,97,589	34,96,35,691
Total Expenses (II)		2,26,59,72,870	2,34,59,87,149
Earning Before Interest, tax, depreciation and amortisation (I)-(II)		46,87,53,096	53,00,52,165
Depreciation & amortization expenses	12	4,95,44,169	4,15,86,158
Finance costs	26	5,44,26,097	4,99,91,512
Profit/before Exceptional item and tax		36,47,82,830	43,84,74,495
Exceptional item	27	26,89,535	7,82,92,947
Profit/before tax		36,74,72,365	51,67,67,442
Tax expense:			
Current tax (Provision)		11,75,00,000	15,81,00,000
Deferred tax	6	1,70,12,009	1,02,10,332
		13,45,12,009	16,83,10,332
Earlier years income tax provision		0	1,22,47,391
Profit Before Minority Interest		23,29,60,356	33,62,09,719
Minority Interest		568	2,20,18,724
Profit for the year		23,29,59,788	31,41,90,995
Earing per equity share	28		
Basic		14.05	20.28
Diluted (after extraordinary items)		13.89	14.23
Notes forming part of the Consolidated Financial Statements	1 to 36		

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.
Chartered Accountants

Firm No. 100571W

A.A. Thakkar
Sole Proprietor

Membership No. 14334

Neha Chikani Shah
Company Secretary
For & on behalf of Board of Directors
Asit A. Patel
Managing Director
Dr. N. T. Patel
Director

Place : Ditasan, Mehsana

 Dated : 11th August, 2012

Place : Ditasan, Mehsana

 Dated : 11th August, 2012

GUJARAT APOLLO INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

INR

Particulars	₹ 2011-12	₹ 2010-11
Cash flow from operating activities		
Net profit before tax and extra ordinary items	364,782,830	438,474,495
Depreciation	49,544,169	41,586,158
Interest	54,426,097	49,991,512
Profit / loss on sales of fixed assets (net)	1,366,536	1,093,142
Interest and Other Income	<u>(80,704,215)</u>	<u>(57,779,374)</u>
Operating profit before working capital changes	389,415,417	473,365,933
Increase/(Decrease) in trade payables	61,997,582	11,530,366
Increase/(Decrease) in current liabilities & Provisions	38,642,192	41,277,742
(increase)/Decrease in trade receivables	<u>(140,640,064)</u>	102,660,609
(increase)/Decrease in loans and advance	<u>(75,135,437)</u>	<u>(393,292,263)</u>
(increase)/Decrease in inventories	68,538,490	<u>(146,444,870)</u>
(increase)/Decrease in other assets	6,430,642	257,372,975
Cash generated from / (used in) operations	349,248,823	346,470,492
Direct taxes Paid	<u>(137,218,474)</u>	<u>(174,734,447)</u>
Net cash from / (used in) operating activities (A)	<u>212,030,349</u>	<u>171,736,045</u>
Cash flow from investing activities		
Purchase of Tangible Intangible Assets/Capital Work In Progress	<u>(154,370,688)</u>	<u>(158,656,066)</u>
Sale of fixed assets	17,510,225	32,162,016
Sales and purchase of investments (net off)	7,500,000	93,501,171
Profit on sale of investments and other income	20,852,116	10,304,077
Interest received	<u>59,852,099</u>	<u>47,475,297</u>
Net cash from / (used in) investing activities (B)	<u>(48,656,248)</u>	<u>24,786,495</u>
Cash flow from financing activities		
Increase / (decrease) in Short term borrowings	<u>(22,169,831)</u>	<u>(121,565,951)</u>
increase / (decrease) in Long term borrowings	<u>(30,937,451)</u>	92,816,193
Interest paid	<u>(54,426,097)</u>	<u>(49,991,512)</u>
Dividend and tax there on	<u>(96,639,502)</u>	<u>(48,479,803)</u>
Net cash from / (used in) financing activities (C)	<u>(204,172,881)</u>	<u>(127,221,073)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>(40,798,780)</u>	69,301,468
Cash and cash equivalents at the beginning of the year	188,494,467	119,193,000
Cash and cash equivalents at the end of the year	147,695,686	188,494,468

Notes forming part of the Consolidated Financial Statements

As per our Audit Report Annexed
For, Arvind A.Thakkar & Co.
Chartered Accountants
 Firm No. 100571W

A.A. Thakkar
Sole Proprietor
 Membership No. 14334

Neha Chikani Shah
Company Secretary

Place : Ditasan, Mehsana
 Dated : 11th August, 2012

For & on behalf of Board of Directors

Asit A. Patel
Managing Director

Dr. N. T. Patel
Director

Place : Ditasan, Mehsana
 Dated : 11th August, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012.

1. BACKGROUND

Gujarat Apollo Industries Limited (APOLLO) was incorporated as a joint venture between Apollo Earthmovers Pvt. Limited and Gujarat Industrial Investment Corporation Limited (GIIC) on 7th October, 1986 to manufacturing of different types of Road Construction & Maintenance Machinery catering to the needs of the majority of the road construction companies in India and many parts of the world. Company has consistently offered the latest technology products by entering into technology tie up with the some of the world's leading players in the industry. The technology sourced is constantly developed by the R & D team of your Company based on customer feedback. Adoption of Continuous Improvement Program as a standard practice across the board, the company's products have over the years maintained a very high uptime, which is critical to stay in the lead. The equipment manufactured by the Company as well as its subsidiary are widely used in all the NHAI & State Highways projects and the products are in line with the laid down specifications of the Government. Export has always been a thrust area and today the Company's equipment are used in more than 50 countries including Australia, New Zealand, Kingdom of Saudi Arabia, Algeria to name a few.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A) Convention and Basis of Preparation of Financial Statements

The Consolidated Financial Statement of Gujarat Apollo Industries Limited ("the company"), and its subsidiary companies have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by Institute Of Chartered Accountants of India (ICAI). The Consolidated Financial Statements are prepared under historical cost convention on accrual basis. The mandatory accounting standard have been followed in preparation of this financial statements.

During the year, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

i) Use of Estimates:

The preparation of financial statements in conformity with Accounting Standards requires, the management to make judgments, estimates and assumptions that affects the reported amounts, at the end of the reporting period. Although these estimated are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

B) Principles of Consolidation

The basis of preparation of consolidated financial statements are as under:

The Financial Statements of the company and its subsidiaries have been combined line-by-line basis by adding together the book values of like items of assets and, liabilities, income and expenses after eliminating inter group transactions and balances transaction and resulting unrealized profit or loss

The Financial Statements of subsidiaries used in the consolidated financial statements are drawn upto 31st March, 2012. The same reporting date of the company.

The differential between cost of investment in the subsidiary over the companies portion of equity is recognized as a good will or capital reserve as the case may be.

The Consolidated financial statements are prepared using uniform accounting policies for like transaction and events in similar circumstances except where stated other wise.

The Consolidated financial statements includes the following subsidiaries along with companies holding there in as under:

Sr.No	Name of the Subsidiary Company	Country	31 st March, 2012	31 st March, 2011
1	Apollo Earthmovers Limited	India	99.99%	99.99%
2	Apollo Maschinenbau GmbH	Germany	100%	100%

C) 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 up gradations/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.

An intangible asset, 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 intangible asset is ready for use.

Goodwill arising out of acquisition of equity shares in subsidiary is amortised in equal amount over the period of ten years from the date of acquisition ,in the event of cessation of operation of subsidiary the unamortise amount of goodwill is written off fully.

D) Depreciation and Amortization

Depreciation is being provided on all tangible assets on "weighted average method" as per the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Intangible assets are recognized when it is probable that the future economics benefits that are attributable to the assets will flow to enterprise and the cost of the assets measure reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at the cost less accumulated and impairment loss if any.

E) 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.

F) Foreign currency transactions, forward contract.

Foreign currency transaction

Transaction in foreign currency are recorded at the exchange rate prevail on the date of transaction, exchange difference arise on account of difference between transaction date and settlement/period end date are recognized in the statement of profit and loss for the year. All monetary assets and liabilities in the foreign currency are translated at the year end rate of relevant currency.

Forward contracts

Company generally in the practice to take forward contract to cover its foreign exchange risk related to export and import obligation. All premium and discount are accounted in statement of profit and loss in the year it pertains.

G) 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.

H) 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.

I) 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.

J) Investments

Investments are recognized and valued as per the the period of holding intended by management, further bifurcated as a current and non current as per the requirements of revised Schedule VI of Companies Act, 1956. Current investments are valued at cost and fair value as on balance sheet date, which ever is low. Non current investments are valued at historical cost unless and otherwise there is a significant diminution in the value of investment.

K) Borrowing Cost

Interest and other cost incurred in connection with the borrowings of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready to its intended use, such cost are capitalized with fixed assets.

L) 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 statement of profit and loss 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

M) 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.

N) Segment Reporting

Segment Reporting as per Accounting Standard 17:

The Group operates in the segment of manufacturing road and construction machinery. The analysis of geographical segment is based on the area in which the products of the Company sold.

GUJARAT APOLLO INDUSTRIES LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Particulars	31 st March, 2012 INR	31 st March, 2011 INR		
3 SHARE CAPITAL				
Authorized share capital				
20,000,000 Equity shares of ₹ 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>		
Issued, subscribed and fully paid up				
16,575,000 Equity shares of ₹ 10/- each	<u>16,57,50,000</u>	<u>16,57,50,000</u>		
Total	<u><u>16,57,50,000</u></u>	<u><u>16,57,50,000</u></u>		
The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitle to one vote per share.				
A) Reconciliation of the shares outstanding at beginning and end of the reporting period :				
16,575,000 Equity shares outstanding at the beginning of the year	<u>16,57,50,000</u>	<u>16,57,50,000</u>		
Change during the year	<u>0</u>	<u>0</u>		
16,575,000 Equity shares outstanding at the end of the year	<u><u>16,57,50,000</u></u>	<u><u>16,57,50,000</u></u>		
B) Details of shareholders holding more than 5% shares in the Company :				
Name of shareholder	No of share	%	No of share	%
Mr. Asit A. Patel	14,52,145	8.76	14,52,145	8.76
Mr. Anand A. Patel	11,89,000	7.17	11,89,000	7.17
Apollo Infratech Pvt. Ltd.	9,21,401	5.56	9,21,401	5.56
C) 90,25,000 (1,25,25,000) Shares out of the issued, subscribed paid up shares capital were allotted as Bonus Shares in last five years by capitalization of Securities Premium and Reserves.				
4 RESERVES AND SURPLUS				
Security premium reserve	<u>9,35,00,000</u>	<u>9,35,00,000</u>		
General reserve				
Opening balance	<u>1,38,47,50,000</u>	<u>1,21,47,50,000</u>		
Add: Transfer from the statement of Profit & Loss	<u>15,00,00,000</u>	<u>17,00,00,000</u>		
Closing balance	<u><u>1,53,47,50,000</u></u>	<u><u>1,38,47,50,000</u></u>		
Surplus in the statement of Profit & Loss				
Balance as per last year	<u>14,40,60,519</u>	<u>9,65,09,026</u>		
Profit for the year	<u>23,29,59,788</u>	<u>31,41,90,995</u>		
Less: Appropriations				
Proposed dividend	<u>-4,14,37,500</u>	<u>-8,28,75,000</u>		
Tax on proposed dividend	<u>-67,22,198</u>	<u>-1,37,64,502</u>		
Transfer to general reserve	<u>-15,00,00,000</u>	<u>-17,00,00,000</u>		
Net surplus in the statement of Profit & Loss	<u><u>17,88,60,609</u></u>	<u><u>14,40,60,519</u></u>		
Foreign Currency Translation Reserve	<u>11,18,940</u>	<u>6,37,916</u>		
Total	<u><u>1,80,59,91,669</u></u>	<u><u>1,62,16,72,603</u></u>		
5 LONG-TERM BORROWINGS				
Deposits: (Unsecured)				
Public	<u>2,79,68,000</u>	<u>7,24,32,000</u>		
Shareholders	<u>5,55,00,000</u>	<u>5,76,00,000</u>		
Total	<u><u>8,34,68,000</u></u>	<u><u>13,00,32,000</u></u>		

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
6 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities	4,67,37,853	3,65,27,521
Current deferred tax liabilities	1,70,12,009	1,02,10,332
Total	6,37,49,862	4,67,37,853
7 OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on borrowings	25,95,140	26,50,000
8 SHORT-TERM BORROWINGS		
Secured		
Cash credit with State Bank of India	24,40,32,343	23,53,95,574
Above cash credits are secured against Current Assets, entire Fixed Assets and property situated at Ditasan (Mehsana), office premises at Ahmedabad and Corporate Guarantee of Apollo Earthmovers Limited.		
Overdraft	0	3,52,77,713
Above borrowing is secured against Term Deposit Receipt with Dena Bank		
Unsecured		
Loan from Directors	72,00,000	2,00,000
Loan from corporate bodies	3,16,875	28,45,762
Total	25,15,49,218	27,37,19,049
9 TRADE PAYABLES		
Trade payables	28,03,79,949	21,83,82,367
	28,03,79,949	21,83,82,367
10 OTHER LIABILITIES		
Current Liabilities of long-term borrowings (Ref. Note 5)	8,42,25,000	4,43,06,000
Interest accrued but not due on borrowings	81,07,783	74,57,888
Unpaid dividend	39,73,691	37,08,373
TDS payable	25,69,177	17,80,215
Advance from customers	7,18,05,986	6,99,06,243
Unpaid liabilities	3,14,12,571	3,22,69,022
	20,20,94,209	15,94,27,742
Total	48,24,74,157	37,78,10,108
11 SHORT TERM PROVISIONS		
Provision for dividend and dividend tax	4,81,59,698	9,66,39,502
Provision for Managerial remuneration	1,72,91,294	2,13,15,569
Total	6,54,50,992	11,79,55,071

GUJARAT APOLLO INDUSTRIES LIMITED

12 FIXED ASSETS

Sr. No.	Assets Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK			
		As On 01.04.2011 (₹)	Addition During the year (₹)	Deduction during the year (₹)	Forex Translation (₹)	Total as on 31.3.2012 (₹)	As on 01.04.2011 (₹)	Deduction during the year (₹)	For the year (₹)	Forex Translation (₹)	Total as on 31.3.2012 (₹)	As on 31.03.2012 (₹)	As on 31.03.2011 (₹)
(A)	Tangible Assets												
	Lease Hold Land	80,92,638	6,41,125	0	0	87,33,763	0	0	0	0	0	87,33,763	80,92,638
	Freehold Land	14,29,89,197	2,63,72,051	0	3,58,660	16,97,19,928	0	0	0	0	0	16,97,19,928	14,29,89,197
	Office Premises	3,01,89,425	61,79,541	0	0	3,63,68,966	30,57,025	0	6,53,097	0	37,10,122	3,26,58,844	2,71,32,400
	Factory Building	19,89,25,349	4,97,65,691	0	8,96,700	24,95,87,740	2,93,37,349	0	72,00,024	17,934	3,65,55,307	21,30,32,433	16,95,88,000
	Worker's Quarters	1,05,83,127	0	0	0	1,05,83,127	5,21,217	0	1,72,505	0	6,93,722	98,89,405	1,00,61,910
	Plant & Machinery	28,23,79,098	6,39,99,057	2,10,02,612	1,40,217	32,55,15,760	7,84,46,044	25,66,550	1,36,15,069	10,371	8,95,04,935	23,60,10,825	20,39,33,054
	Electrical Installation	81,29,451	0	0	0	81,29,451	38,81,413	0	2,33,868	0	41,15,281	40,14,170	42,48,038
	Furniture & Fixtures	2,62,07,034	70,36,310	1,51,974	1,29,437	3,32,20,808	88,86,682	1,25,825	19,10,347	5,395	1,06,76,599	2,25,44,209	1,73,20,352
	Office Equipments	3,42,49,219	87,51,970	1,82,157	48,619	4,28,67,651	1,55,35,432	1,25,925	43,79,073	11,935	1,98,00,515	2,30,67,136	1,87,13,787
	Vehicles	4,69,86,327	36,41,349	12,12,396	2,25,005	4,96,40,285	1,15,16,472	8,54,078	59,72,043	52,319	1,66,86,756	3,29,53,529	3,54,69,855
	Total (12A)	78,87,30,866	16,63,87,094	2,25,49,139	17,98,657	93,43,67,480	15,11,81,636	36,72,378	3,41,36,026	97,954	18,17,43,238	75,26,24,242	63,75,49,231
(B)	Intangible Assets												
	Technical Knowhow	2,19,19,136	1,69,60,806	0	0	3,88,79,942	1,60,42,440	0	41,68,651	0	2,02,11,091	1,86,68,851	58,76,696
	Capitalised Software	1,27,99,503	61,78,695	0	0	1,89,78,198	66,16,180	0	23,80,570	0	89,96,750	99,81,448	61,83,323
	Copyright & other assets	1,42,82,438	0	0	11,51,810	1,54,34,247	23,46,078	0	29,76,637	2,99,412	56,22,127	98,12,121	1,19,36,360
	Goodwill on consolidation	3,52,95,775	0	0	0	3,52,95,775	35,29,578	0	35,29,578	0	70,59,156	2,82,36,619	3,17,66,197
	Total (12B)	8,42,96,851	2,31,39,502	0	11,51,810	10,85,88,162	2,85,34,275	0	1,30,55,437	2,99,412	4,18,89,124	6,66,99,038	5,57,62,576
(C)	Assets treated as an investment												
	Freehold Land	33,01,270	0	0	0	33,01,270	0	0	0	0	0	33,01,270	33,01,270
	Office Premises	24,25,748	0	0	0	24,25,748	5,80,987	0	39,540	0	6,20,527	18,05,221	18,44,761
	Factory Building	1,89,67,151	0	0	0	1,89,67,151	10,88,806	0	6,33,503	0	17,22,309	1,72,44,842	1,78,78,345
	Plant & Machinery	3,29,11,909	1,20,940	0	0	3,30,32,849	42,29,616	0	15,66,260	0	57,95,876	2,72,36,973	2,86,82,293
	Furniture & Fixtures	16,09,968	0	0	0	16,09,968	13,94,342	0	1,01,911	0	14,96,253	1,13,715	2,15,626
	Office Equipments	1,37,831	0	0	0	1,37,831	9,408	0	11,492	0	20,900	1,16,931	1,28,423
	Total(12C)	5,93,53,877	1,20,940	0	0	5,94,74,817	73,03,159	0	23,52,706	0	96,55,865	4,98,18,952	5,20,50,718
	Total (A+B+C)	93,23,81,595	18,96,47,536	2,25,49,139	29,50,467	1,10,24,30,459	18,70,19,070	36,72,378	4,95,44,169	3,97,366	23,32,88,227	86,91,42,232	74,53,62,525
	Total previous year	76,83,63,669	20,06,19,207	3,74,25,100	8,03,820	93,27,81,595	1,49,64,863	41,69,942	4,11,87,510	1,36,639	18,70,19,070	74,53,62,525	51,08,88,400

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
13 CAPITAL WORK-IN-PROCESS		
Tangible	27,16,012	2,10,32,053
Intangible	0	1,69,60,806
Total	<u>27,16,012</u>	<u>3,79,92,859</u>
14 INVESTMENTS		
14.1 Investment in Property	5,94,74,817	5,93,53,877
Less: Depreciation	-96,55,865	-73,03,159
Net block	<u>4,98,18,952</u>	<u>5,20,50,718</u>
Trade investments		
Unquoted		
Investment in Associate		
440,000 (P.Y. 440,000) Equity Shares of ₹ 10/- each of Tribhuvan Industries Limited	44,00,000	44,00,000
4,682,010 (P.Y. 4,682,010) Equity Shares of ₹ 10/- each of Apollo Industries and Projects Limited	3,12,29,110	3,12,29,110
0 (P.Y. 600,000) Equity shares of ₹ 10/- of Apollo Construction Projects Private Limited	0	30,00,000
3,000,000 (P.Y. 3,000,000) Equity Shares of ₹ 10/- each of Zam Zam Exports Limited	2,00,50,000	2,00,50,000
350,000 (P.Y. 350,000) Equity shares of ₹ 10/- each in Apollo Construction Equipments Limited	1,20,30,001	1,20,30,001
	<u>6,77,09,111</u>	<u>7,07,09,111</u>
Non-trade investments		
Unquoted		
Investment In Partnership firm Apollo Quarry Works	0	45,00,000
	0	45,00,000
	<u>11,75,28,063</u>	<u>12,72,59,829</u>
A) Details of investment in partnership firm		
Name of the partners	Share of profit/ loss(%)	Share of profit/ loss(%)
1) NG Projects Limited	Nil	35
2) Maulik Manibhai Patel	Nil	25
3) Dipak V. Patel	Nil	25
4) Gujarat Apollo Industries Limited	Nil	15
(Above percentage is as per last year, partnership firm has been dissolved during current year)		
14.2 Unquoted mutual funds		
SBI - MUTUAL FUND:		
50000 units of ₹ 10/- each fully paid-up of SBI Infrastructure Fund (Market Value ₹ 4,14,185/-)	5,00,000	5,00,000
Total	<u>11,80,28,063</u>	<u>12,77,59,829</u>

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
15 LOANS AND ADVANCES		
15.1 Advance recoverable in cash or kind or for value to be received	10,77,41,809	10,50,38,364
15.2 Advance recoverable in cash or kind or for value to be received	7,72,15,671	2,73,76,087
Inter corporate deposits	44,96,16,256	42,90,01,676
Prepaid expenses	24,46,279	14,70,320
Balance with statutory bodies	5,55,70,516	6,19,28,648
Advance income-tax (net of provision)	2,50,63,053	56,89,169
Total	61,72,71,775	52,54,65,899
 Above loan includes Due from subsidiaries where Director/Member is Director/Member	 22,21,20,674	 24,05,15,242
16 TRADE RECEIVABLES		
16.1 Unsecured, considered goods unless stated otherwise Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, considered goods	1,15,79,663	1,60,59,893
(A)	1,15,79,663	1,60,59,893
16.2 Unsecured, considered goods unless stated otherwise Outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, considered goods	10,52,78,044	9,08,49,635
Outstanding for a period Less than six months from the date they become due for payment		
Secured, considered goods	4,56,18,997	2,41,56,512
Unsecured, considered goods	34,99,39,750	24,07,10,351
	39,55,58,747	26,48,66,863
(B)	50,08,36,791	35,57,16,498
Total (A+B)	51,24,16,454	37,17,76,391
17 OTHER ASSETS		
17.1 Deposits in Sardar Sarovar Nigam Ltd.	0	13,16,000
17.2 Interest accrued on investments	4,36,703	68,67,345
Deposits in Sardar Sarovar Nigam Ltd.	13,16,000	0
Mahadev Infrastructure	26,68,490	26,68,490
Patel Avenue Co.Op.Hsg.Soc Ltd.,	30,46,190	30,46,190
(B)	74,67,383	1,25,82,025
Total (A)+(B)	74,67,383	1,38,98,025
18 INVENTORIES		
Raw material and bought out spares	27,25,29,708	29,75,88,626
Stores & tools	46,60,848	43,41,484
Semi finished goods	14,33,12,789	25,70,55,953
Finished goods	19,87,84,035	12,88,39,807
Total	61,92,87,379	68,78,25,870

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
19 CASH AND BANK BALANCES		
Cash on hand	41,20,024	45,33,373
Balances with banks:		
On current account	5,13,18,623	7,05,49,242
On unpaid dividend accounts	39,75,291	37,09,973
Deposits with original maturity of less than 3 months	7,35,00,000	0
	<u>13,29,13,938</u>	<u>7,87,92,589</u>
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	0	5,00,00,000
Fixed Deposit held as margin money against Bank Guarantee & Letter of Credit	1,47,81,749	5,97,01,878
	<u>1,47,81,749</u>	<u>10,97,01,878</u>
Total	<u>14,76,95,687</u>	<u>18,84,94,467</u>
20 REVENUE FROM OPERATIONS		
Sale of products	2,83,82,61,561	3,02,83,92,141
Sale of services	4,12,18,179	85,49,388
Other operating revenue		
Sale of scraps	1,68,01,995	1,72,55,939
Duty draw back	20,58,108	18,12,633
Gross total	<u>2,89,83,39,842</u>	<u>3,05,60,10,101</u>
Less: excise duty and service tax paid	<u>24,43,18,092</u>	<u>23,77,50,160</u>
Total	<u>2,65,40,21,750</u>	<u>2,81,82,59,941</u>
21 OTHER INCOME		
Interest income	5,98,52,099	4,74,75,297
Miscellaneous/Other Income	2,08,52,116	1,03,04,077
Total	<u>8,07,04,215</u>	<u>5,77,79,374</u>
22 COST OF RAW MATERIAL AND COMPONENTS CONSUMED		
Iron & Steel	39,86,09,775	42,38,69,042
Components	1,34,98,40,487	1,60,75,10,252
Total	<u>1,74,84,50,262</u>	<u>2,03,13,79,294</u>
Closing stock of raw material and components		
Iron & Steel	4,14,70,369	5,05,90,572
Components	23,10,59,339	24,69,98,054
Total	<u>27,25,29,708</u>	<u>29,75,88,626</u>

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	31 st March, 2012 INR	31 st March, 2011 INR
23 (INCREASE)/DECREASE IN INVENTORIES		
Opening stock		
Semi finished goods	13,31,81,291	10,08,37,513
Finished goods	25,70,55,953	12,77,91,683
	<u>39,02,37,244</u>	<u>22,86,29,196</u>
Closing stock		
Semi finished goods	20,34,44,883	13,31,81,291
Finished goods	14,33,12,789	25,70,55,953
	<u>34,67,57,671</u>	<u>39,02,37,244</u>
Total	<u>4,34,79,573</u>	<u>-16,16,08,048</u>
24 EMPLOYEE BENEFITS EXPENSES		
Salary and wages	13,22,09,561	10,22,24,919
Contribution to provident fund	48,02,570	46,06,808
Staff welfare expenses	69,45,932	65,63,691
Bonus and gratuity	1,38,87,383	1,31,84,794
Total	<u>15,78,45,446</u>	<u>12,65,80,212</u>
25 OTHER EXPENSES		
Power & fuel	1,44,60,448	1,55,88,648
Labour charges	4,98,57,969	5,58,31,889
Factory expenses	83,66,275	1,11,43,656
Transportation, cartage and octroi (inward)	54,01,997	52,86,674
Repairs to plant and machinery	42,98,858	46,92,595
Office and administrative expenses (Including director's sitting fees ₹ 82500/-{Previous year ₹ 55000/-})	1,97,27,196	1,44,11,137
Postage, telephone and telex expenses	71,58,496	67,57,035
Travelling and conveyance	1,83,25,688	1,67,72,144
Stationary and printing expenses	19,97,207	18,28,546
Professional charges	2,57,24,735	2,52,58,608
Miscellaneous expenses	1,63,13,522	3,18,25,571
Vehicle running and maintenance	81,03,836	68,98,381
Director's remuneration	2,40,54,900	3,00,56,285
Bad debts written off (net off bad debts recovered)	11,56,750	1,26,14,429
Loss on sale of assets (net)	13,66,536	10,93,142
Erection and after sales service	78,61,529	1,70,83,254
Advertisement and sale promotion	2,00,24,997	3,09,58,367
Commission on sales	2,40,88,435	1,25,47,730
Freight outward	5,79,08,216	4,89,87,603
Total	<u>31,61,97,589</u>	<u>34,96,35,692</u>
26 FINANCE COST		
Interest	4,72,29,125	4,07,97,868
Bank charges & commission	56,26,204	50,97,227
Brokerage & commission	14,28,781	18,79,298
Exchange rate difference - Forex loss	1,41,987	22,17,119
Total	<u>5,44,26,097</u>	<u>4,99,91,512</u>
27 EXCEPTIONAL ITEM	<u>26,89,535</u>	<u>7,82,92,947</u>

28 EARNINGS PER SHARE:

	31.03.2012	31.03.2011
a) Total number of equity shares outstanding at the end of the year	1,65,75,000	1,65,75,000
b) Net profit after tax available for equity Shareholders	23,29,60,356	33,62,09,719
c) Basic and Diluted Earnings (in ₹) per share	14.05	20.28
D) Diluted Earning (in ₹) per share (after extraordinary items)	13.89	14.23

29 DEFERRED TAX:

	As at 31.03.2012	As at 31.03.2011
The break up of net deferred tax liability as at 31 st March, 2012 is as under.		
A. Deferred Tax Liability Related to Fixed Assets:	<u>4,67,37,853</u>	<u>3,65,27,521</u>
B. Fixed Assets: impact of difference between tax depreciation and depreciation charged for	1,70,12,009	1,02,10,332
C. Deferred Tax Liability (net)	6,37,49,862	4,67,37,853

Particulars	31.03.2012	31.03.2011
	₹	₹

30 EARNINGS IN FOREIGN EXCHANGE (on accrual basis)

A. Export of Goods:		
i. Direct on FOB basis	26,15,45,292	32,23,50,908
ii. Deemed Exports	47,68,500	2,71,25,500
B. Export of service	5,85,394	5,61,790

31 VALUE OF IMPORTS ON CIF BASIS (on accrual basis)

Raw Material & Components	15,57,97,695	12,33,71,063
Capital Goods	7,49,009	51,18,638

32 EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

Traveling, After Sales Service Expenses and other expenses	6990,727	7744,841
Commission & other business promotion expenses	1,41,19,620	2,34,68,765

33 AUDITORS' REMUNERATION (Excluding service tax)

i. Audit Fee	4,50,000	4,00,000
ii. Other Services	1,50,000	1,00,000
iii. Reimbursement of out of pocket expenses	31,543	29,283
Total	<u>6,31,543</u>	<u>5,29,283</u>

34 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:

Description	2011-12	2010-11
	₹	₹
Export Sales	26,21,30,691	32,29,12,698
Domestic Sales	2,63,62,09,151	2,73,30,97,403
Total	<u>2,89,83,39,842</u>	<u>3,05,60,10,101</u>

GUJARAT APOLLO INDUSTRIES LIMITED

35 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 togetherwith interest payable as required under the Act have not been given.

36 RELATED PARTY DISCLOSURES

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

i	Name of the related parties	Short Name	Nature of the relationship
(a)	Apollo Industries & Projects Limited	AIPL	Associate
(b)	Apollo Earthmovers Limited	AEML	Subsidiary
(c)	Circuit Systems India Limited	CSIL	Associate
(d)	Apollo Maschinenbau GmbH, Germany	AMG	Subsidiary
(e)	Apollo Quarry Works	AQW	Associate
(f)	Zam Zam Exports Limited	ZZEL	Associate
(g)	Apollo Construction Equipments Limited	ACEL	Associate
ii	Key Managerial Personnel		
(a)	Mr. Asit A. Patel	KMP	Managing Director
(b)	Mr. Anand A. Patel	KMP	Whole-Time Director
(c)	Mr. Anil T. Patel	KMP	Director
(d)	Mr. Ajitkumar T. Patel	KMP	Whole-Time Director
(e)	Mr. Manibhai V. Patel	KMP	Director

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

(Amount in INR)

Particulars		AIPL	CSIL	AQW	ZZEL	ACEL	AEML	AMG	KMP
Sales Service and other income	Current Year	-	-	3,565,170	-	18,694,671	21,177,769	24,292,983	-
	Previous Year	-	-	5,553,091	-	1,113,222	18,322,537	9,003,489	-
Purchase of raw Material and Components and Services	Current Year	-	-	-	-	101,625,515	157,842,451	7,248,641	-
	Previous Year	-	-	-	-	78,079,915	130,490,504	-	-
Interest and other expenditure	Current Year	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	238,871	-	374,795	-	-
Intercompany Deposits Placed/(Received) net amount	Current Year	(9,250,000)	(10,003,888)	-	-	-	(78,452,101)	19,309,250	7,000,000
	Previous Year	(90,000,000)	5,000,000	-	-	-	20,000,000	6,356,281	(8200,000)
Interest income	Current Year	24,645,411	694,772	662,507	-	-	1,118,062	-	-
	Previous Year	27,287,741	771,058	-	847,134	-	-	-	-
Salary Commission On profit	Current Year	-	-	-	-	-	-	-	18,983,900
	Previous Year	-	-	-	-	-	-	-	16,094,169
Purchase of capital assets	Current Year	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	15,572,000
Outstanding balance as on 31 st March, 2012 Due to Company	Current Year	-	-	24,094,858	-	6,068,618	2,946,826	16,498,402	-
	Previous Year	-	-	20,529,689	-	5,109,320	7,286,468	6,008,867	-
Payable by Company	Current Year	-	-	-	-	30,913,010	114,145,106	-	749,714
	Previous Year	-	-	-	-	16,860,065	41,581,681	3,071,509	1,042,750
Intercompany deposits (receivable)/payable	Current Year	222,120,673	-	-	-	-	(58,114,230)	5,80,89,255	720,00,00
	Previous Year	209,189,804	10,378,593	-	-	-	20,946,845	34,782,000	200,000

As per our Audit Report Annexed

For & on behalf of Board of Directors

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar
Sole Proprietor

Neha Chikani Shah
Company Secretary

Asit A. Patel
Managing Director

Dr. N. T. Patel
Director

Membership No. 14334

Place : Ditasan, Mehsana

Dated : 11th August, 2012

Place : Ditasan, Mehsana

Dated : 11th August, 2012

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 Annual Report for reference at the meeting.

DP ID *	
Client ID*	

FOLIO NUMBER :

NAME AND ADDRESS OF THE SHAREHOLDER

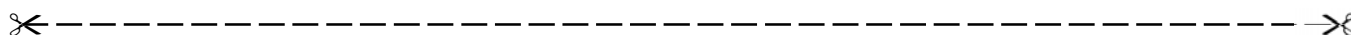
No. of Shares held :

I hereby record my presence at the 25th Annual General Meeting of the Company to be held on Wednesday, 26th September, 2012 at 11.00 a.m at Ditasan, P.O Jagudan, State Highway, Mehsana – 382710.

SIGNATURE OF THE SHAREHOLDER/PROXY

Strike out whichever is not applicable.

* Applicable for Investor holding shares in demat form.



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.

DP ID*	
Client ID*	

PROXY FORM

FOLIO NUMBER :

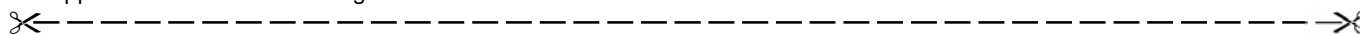
I/We _____ of _____ being a member/members of Gujarat Apollo Industries Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 25th Annual General Meeting to be held on Wednesday, 26th September, 2012 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2012

Affix
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.



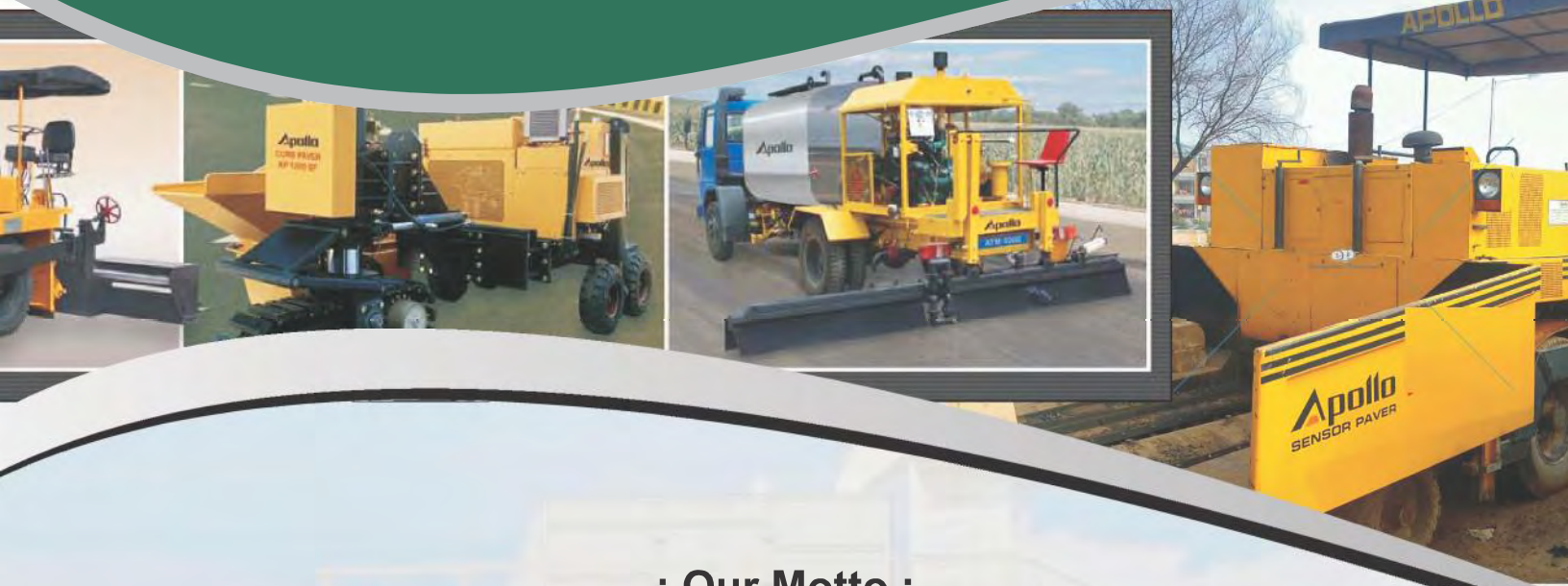
Dematerialise your Physical Shares to Electronic Form

- Eliminate all risks associated with physical Shares.
- Ease in Portfolio Management.

Contact us on (Tel. no.: 079-66188888)/our Registrars and Transfer Agents (Tel no.: 079-26465179) for assistance.

Procedure for Dematerialisation of Shares

- Open a beneficiary account with a Depository Participant (DP) registered with SEBI.
- Submit to DP, Share Certificate(s) and Dematerialisation Request Form (DRF) as provided by the DP, duly signed by all the holders with the names and signatures in the same order as appearing in the concerned Share Certificate(s).



: Our Motto :

“Using the highest standards of Ethics,

Create the Value for

Stakeholders, Customers, Employees,

Shareholders and Vendors alike;

Continues Improvement of products,

people and processes.”

Apollo[®]

GUJARAT APOLLO INDUSTRIES LIMITED

Apollo House, Nr. Mithakhali Circle, Navrangpura, Ahmedabad-380009. India.

Tel : 079-26563730, 26444597, 66188888 Fax : 079-26564705