

|                        |
|------------------------|
| <b>32<sup>nd</sup></b> |
| <i>Annual</i>          |
| <i>Report</i>          |
| <i>2018-2019</i>       |



GUJARAT APOLLO INDUSTRIES LIMITED



**BOARD OF DIRECTORS**

|                          |   |                             |
|--------------------------|---|-----------------------------|
| MR. MANIBHAI V. PATEL    | - | <i>DIRECTOR</i>             |
| MR. ASIT A. PATEL        | - | <i>MANAGING DIRECTOR</i>    |
| MR. ANAND A. PATEL       | - | <i>DIRECTOR</i>             |
| MRS. NAYNA A. PATEL      | - | <i>DIRECTOR</i>             |
| MR. NAVINCHANDRA V. SHAH | - | <i>INDEPENDENT DIRECTOR</i> |
| MRS. KAPILABEN A. PATEL  | - | <i>INDEPENDENT DIRECTOR</i> |
| MR. NAMAN PATEL          | - | <i>INDEPENDENT DIRECTOR</i> |

**COMPANY SECRETARY**

CS NEHA CHIKANI SHAH

**STATUTORY AUDITORS**

M/s. DJNV & CO.,  
Chartered Accountants,  
Ahmedabad

**BANKERS**

HDFC BANK LTD.

**REGISTERED OFFICE**

Block No. 486, 487, 488,  
Mouje Dholasan,  
Taluka and District : Mehsana - 382 732

**CORPORATE OFFICE**

“Parishram”, 5-B, Rashmi Society,  
Near Mithakhali Six Roads,  
Navrangpura,  
Ahmedabad- 380009

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# GUJARAT APOLLO INDUSTRIES LIMITED

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## NOTICE

**NOTICE** is hereby given that the **THIRTY-SECOND Annual General Meeting** of the members of **GUJARAT APOLLO INDUSTRIES LIMITED** will be held on **Friday, the 27<sup>th</sup> day of September, 2019 at 11.00 A.M.** at the registered office of the Company at Block No. 486, 487, 488, Mouje Dholasan, Taluka and District: Mehsana – 382732 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt
  - a. Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2019, together with the Report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Manibhai V. Patel (DIN:00115717), who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint a Director in place of Mrs. Nayna A. Patel (DIN: 05199350), who retires by rotation and being eligible offers herself for re- appointment.

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”) read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other provisions of applicable law and pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded with respect to related party transaction(s) to be entered, if any during the financial year 2019-2020 with Ammann India Private Limited for supply of Assemblies, sub-assemblies, components & Spare parts for various equipment not exceeding Rs. 100 crores p.a.(Rupees One Hundred Crores only)

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take from time to time all decisions and steps necessary or expedient or proper in respect of the above related party transaction including the timing, the amount and other terms and conditions of such transactions and further including variation in terms and conditions as it may, in its absolute discretion, deems appropriate for the purpose of giving effect to this Resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions if any, of the Companies Act, 2013 (the Act), Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Navinchandra V Shah (DIN: 03027647) who was appointed as an Independent Director at the 27<sup>th</sup> Annual General Meeting of the Company and who is eligible for re-appointment and who meets the criteria for Independence as provided under section 149 (6) of the Act along with rules framed thereunder and Regulation 16 (1) (b) of SEBI Listing Regulations and who has submitted a declaration to that effect be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation to hold office for till the second term of Five years conclusion of Annual General Meeting to be held in the year 2024.”

**“RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment Regulations, 2018”), Shri Navinchandra V Shah (DIN: 03027647) on attaining the age of 75 (seventy five) years on 07.11.2021, during the above term of re-appointment, the continuation of such appointment as an Independent Non-Executive Director of the Company for 5 years on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018.”

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do

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and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution”.

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

**“RESOLVED THAT** pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment Regulations, 2018”) approval of shareholders be and is hereby given to continue appointment of Shri Manibhai V Patel (DIN: 00115717), as Non Executive Director of the Company, on the same terms and conditions, even though he has attained the age 75 years.

**“RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution”.

**By order of the Board of Directors**

**Place : Ahmedabad**  
**Dated : 14<sup>th</sup> August, 2019**

**Neha Chikani Shah**  
**Company Secretary**  
**Membership No. A25420**

**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. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY LETTER/POWER OF ATTORNEY, AS APPLICABLE, ISSUED BY THE MEMBER ORGANIZATION. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES TO ATTEND THE MEETING ARE REQUESTED TO SEND TO THE COMPANY, A CERTIFIED COPY OF BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVE(S) TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of business under item No. 5, 6 and 7 is annexed hereto.
4. The Register of Members and Share Transfer Book of the Company will remain closed from Saturday, 21<sup>st</sup> September, 2019 to Friday, 27<sup>th</sup> September, 2019 (both days inclusive) for the purpose of AGM and Dividend to be declared.
5. Pursuant to Section 124 of the Companies Act, 2013, the Company is required to transfer the amount of dividend remaining unpaid or unclaimed for a period of seven years to the Investors Education and Protection Fund established by the Central Government. 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 31<sup>st</sup> March, 2012 and onwards are requested to lodge their claim with the Company.
6. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

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7. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS). Members are requested to avail NECS facility as it is quick and much convenient way of getting dividend directly in your bank account. Members desirous of availing NECS facility are requested to submit bank particulars in ECS Mandate Form, the format of which is annexed at the end of this Annual Report
8. Members are requested to notify immediately the change in address, if any, to the Company or to the Registrar and Transfer Agents (R&TA) or with their respective Depository Participants in case the shares are in electronic form.
9. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the meeting so that the information required may be made available at the meeting.
10. As per Securities and Exchange Board of India (SEBI) Circular, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's R&TAs. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to Company's Registrar and Share Transfer Agent.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to R&TA for consolidating their holdings in single folio. The share certificates will be returned to the members after making requisite changes thereon.
12. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
13. Details of the Directors seeking Appointment/Re-Appointment at the Annual General Meeting of the Company pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General meeting issued by the Institute of Company Secretaries of India is as under:

| <b>Name of the Director</b>   | <b>Mr. Manibhai V. Patel</b>  | <b>Mrs. Nayna A. Patel</b>                 | <b>Mr. Navinchandra V. Shah</b>   |
|---|---|--|---|
| DIN No.   | 00115717  | 05199350                                   | 03027647  |
| Date of Birth   | 05.01.1933  | 28.11.1970                                 | 01.10.1946  |
| Date of Appointment   | 07.10.1986  | 01.04.2015                                 | 07.11.2012  |
| Qualifications  | Matriculate   | BBA  | M. Com., L.L.M, I.C.W.A.(I)   |
| Expertise   | Overall Management  | Overall Management                         | Overall Management  |
| No. of Shares held in Company as on 31 <sup>st</sup> March, 2019                              | 2,28,289  | 27,100                                     | 8100  |
| Name of listed entities in which the person also holds the directorship.                      | NIL   | NIL  | NIL   |
| Chairman/Member of the Committees of other listed entities as on 31 <sup>st</sup> March, 2019 | NIL   | NIL  | NIL   |
| Disclosure of relationship between Director inter-se  | He is not related with any Director and Key Managerial Personnel of the Company | Mrs. Nayna Patel is wife of Mr. Asit Patel | He is not related with any Director and Key Managerial Personnel of the Company |

#### 14. Green Initiative – An Important Communication to Members

Ministry of Corporate Affairs has taken a green initiative by permitting companies to send various documents like notices, annual reports including annual accounts etc. to its Members through electronic mode. Keeping in spirit with the said initiative, we request you to update your email ID with your respective DP's in case of shares held in electronic form and with Registrar & Share Transfer Agent - M/s Link Intime India Private Limited in case of shares held in physical form. Email is a better method to receive the communications quickly, with least cost implications and have longer shelf life. Company proposes to send all permitted communications electronically to the email id's of Members unless specific request is received for a physical copy from Member. Please act and contribute to preserve environment for our better future.

#### 15. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to cast their vote by electronic means i.e. remote e-voting, through the e-voting services provided by Central Depository Services (India) Ltd (CDSL) on all resolutions set forth in this Notice. The instructions for e-voting are enclosed with this notice.

**By order of the Board of Directors**

**Place : Ahmedabad**  
**Dated : 14<sup>th</sup> August, 2019**

**Neha Chikani Shah**  
**Company Secretary**  
**Membership No. A25420**

#### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

##### **Item No. 5**

Pursuant to provisions of Section 188(1) of the Companies Act, 2013 and rules framed there under, prior approval of share holders is required for entering into related parties transaction, if related party transaction for sale, purchase of goods or for obtaining or providing any services or any kind of related party transactions prescribed under the Companies Act, 2013 and value of such transaction exceeding the limit prescribed under the rule framed under the Companies Act, 2013.

The Company may re-enter supply agreement with Ammann India Private Limited (hereinafter referred to as “Ammann”), in the year 2019-2020.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of the Board and its Powers) Rules, 2014 are given herein below for perusal of the members:

| Sr. No. | Particulars  | Details   |
|---------|--|---|
| (a)     | Name of the related party  | Ammann India Private Limited  |
| (b)     | Name of the director or key managerial personnel who is related                              | Mr. Asit A. Patel and Mr. Anand Patel are also Directors in Ammann India Private Limited. Mrs. Nayna Patel is relative of director holding directorship in Ammann India Pvt. Ltd.   |
| (c)     | Nature of relationship   | Ammann India Private Limited is Private Limited Company, of which Mr. Asit Patel and Mr. Anand Patel are Directors. Mrs. Nayna Patel is relative of director holding directorship in Ammann India Pvt. Ltd. Therefore, being a director of the private limited company, they are termed as relative, which is defined under the Companies Act, 2013 |
| (d)     | nature, material terms, monetary value and particulars of the parts, contract or arrangement | Agreement for supply of assemblies, sub assemblies, components, parts, etc. for various equipments. The said agreement is proposed for a period of 2 (Two) Years and supply should not exceed Rs. 100 Crores p.a.   |

In terms of the provisions of Section 188 of the Companies Act, 2013 and SEBI Listing regulations, related parties of the Company shall abstain from voting on said resolution.

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None of the Directors except Mr. Asit A. Patel, Mrs. Nayna Patel and Mr. Anand Patel and their relatives are directly or indirectly concerned or interested in the above resolution however none of the Key Managerial Personnel of the Company and/or their relatives are deemed to be concerned or interested, in the said resolution.

The Board accordingly recommended the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

### **Item No. 6**

Mr. Navinchandra V. Shah was appointed as an Independent Non-Executive Director of the Company by the members at the 27<sup>th</sup> AGM of the Company held on 23<sup>rd</sup> September, 2014 for a period of five consecutive years commencing from 23<sup>rd</sup> September, 2014 up to 32<sup>nd</sup> AGM to be held in 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment by passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Navinchandra Shah, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 27<sup>th</sup> September, 2019 up to 37<sup>th</sup> AGM to be held in 2024.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect". Mr. Navinchandra Shah will attain the age of 75 years on 7<sup>th</sup> November, 2021 and hence continuation beyond 75 years requires the approval of members by way of a special resolution.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Navinchandra Shah fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Navinchandra Shah as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Navinchandra Shah as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Navinchandra Shah as an Independent Director for another term of five consecutive years with effect from 27<sup>th</sup> September, 2019 up to 37<sup>th</sup> AGM to be held in 2024, for the approval by the shareholders of the Company.

Except Mr. Navinchandra Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, except to the extent of their respective interest as shareholders of the Company, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. Navinchandra Shah is not related to any Director of the Company.

### **Item No. 7**

Shri. Manibhai V Patel is one of the Founder Member of the Company. The Company has managed to sustain well under stiff and competitive market conditions under the guidance and leadership of Shri. Manibhai V Patel, Non Executive Director of the Company. In light of their experiences and increased business activities of the Company and therefore, on recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 14<sup>th</sup> August, 2019, approved the proposal to re-appoint Mr. Manibhai V Patel, as a non executive Director of the Company even though attaining age beyond 75 years, subject to your approval or any such approvals as may be required.

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As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that "no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect". Shri. Manibhai V Patel has attained the age of 75 years and hence continuation beyond 75 years requires the approval of members by way of a special resolution.

The Board considers that as mentioned above his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manibhai V Patel as a Non Executive Director of the Company. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Manibhai V Patel as a Non Executive Director for the approval by the shareholders of the Company.

Except Mr. Manibhai V Patel, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, except to the extent of their respective interest as shareholders of the Company, in the resolution set out at Item No. 7 of the accompanying Notice of the AGM.

**By order of the Board of Directors**

**Place : Ahmedabad**  
**Dated : 14<sup>th</sup> August, 2019**

**Neha Chikani Shah**  
**Company Secretary**  
**Membership No. A25420**

# GUJARAT APOLLO INDUSTRIES LIMITED

## E-VOTING INSTRUCTIONS

The Business transacted as set out in the Notice may be transacted through e-voting system and Company will provide a facility for voting by electronic means. In compliance with the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means. Please note that the voting through electronic means is optional for shareholders.

The members, whose names appear in the Register of members/list of Beneficial Owners as on Friday, 20<sup>th</sup> September, 2019 i.e. on the Cut-off date are entitled to vote on the resolutions set forth in this Notice.

The voting through electronic means will commence on Tuesday, 24<sup>th</sup> September, 2019 at 9.00 a.m. and will end on Thursday, 26<sup>th</sup> September, 2019 at 5.00 p.m. The members will not be able to cast their vote electronically envisaged herein above beyond the date and time mentioned above.

The Company has appointed Mr. Ashish Shah, Practicing Company Secretary (Membership No. F-5974) and proprietor M/s. Ashish Shah & Associates, to act as the scrutinizer for conducting the electronic voting process in a fair and transparent manner.

### The instructions for members for voting electronically are as under:-

#### In case of members receiving e-mail:

- (i) The voting period begins on <24.09.2019 @ 9.00 a.m.> and ends on <26.09.2019 @5.00 p.m. >. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date <20.09.2019>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |   |
|--|---|
| PAN*   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>· Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN Field.</li></ul>         |
| DOB  | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |
| Dividend Bank Details                                      | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>· Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul> |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to

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vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Gujarat Apollo Industries Limited> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

# GUJARAT APOLLO INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors are hereby presenting the **Thirty-Second** Annual Report for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL PERFORMANCE:

(` in Lakhs)

|   | <b>FY 2018-19</b> | FY 2017-18      |
|---|-------------------|-----------------|
| <b>Revenue from Operations</b>  | 2,983.16          | 6,838.75        |
| Add: Other Income   | 1,640.25          | 2,839.10        |
| <b>Total Revenue</b>  | 4,623.41          | 9,677.85        |
| <b>Total Expenditure</b>  | 3,338.54          | 7,647.13        |
| <b>Earnings before Interest, Tax, Depreciation &amp; Amortization</b> | <b>1,284.87</b>   | <b>2,030.72</b> |
| Less: Finance Cost  | 115.41            | 150.74          |
| Less: Depreciation and Amortization Expenses                          | 232.76            | 240.22          |
| <b>Profit before exceptional items &amp; tax</b>                      | <b>936.70</b>     | <b>1,639.76</b> |
| Exceptional Items being   |                   |                 |
| - Provision / Loss on Sale of Investment in Subsidiary Co             | (317.50)          | -               |
| - Provision for Bad Debts / Loan in Subsidiary Co.                    | -                 | -               |
| <b>Profit before tax</b>  | <b>619.20</b>     | <b>1,639.76</b> |
| Tax Expense   | (6.26)            | 602.94          |
| <b>Profit After Tax</b>   | <b>625.46</b>     | <b>1,036.82</b> |
| Add: Profit & Loss Account Balance B/F                                | 9,456.55          | 8,420.05        |
| <b>Amount available for proposed Appropriations</b>                   | 9,385.60          | 9,456.87        |
| Proposed Dividend (Out of General Reserve)                            | —                 | —               |
| Transfer to General Reserve   | —                 | —               |
| Provision for tax on dividend   | —                 | (0.32)          |
| <b>Closing balance</b>  | <b>9,385.60</b>   | <b>9,456.55</b> |

### OPERATIONAL REVIEW:

#### Standalone

Your Company took several initiatives during the last financial year that helped in achieving and consolidating growth in production and sales volumes. There had been completion of supply agreement with Ammann India Pvt. Ltd. (AIPL) in the year 2017-18 affecting major supply, though the Company supplied assemblies, sub-assemblies, components, spare parts for various equipment at arm's length basis. Your Company tried to increase the sales in the product being manufactured and marketed in-house.

During the year under review, the Company had a standalone revenue from operations of Rs. 2,983.16 Lakhs (previous year Rs.6,838.75). Total earnings before depreciation and finance cost was Rs. 1,284.87 Lakhs against 2,030.72 Lakhs in the previous year. The exceptional item was amounting to Rs. 317.50 lakhs. Till previous year REC on solar generation was being shown Rs 3500 per unit as income on accrued basis which was also the last realization and rate fixed earlier by appropriate authority. However due to the Court decision during the first quarter, this was reduced to Rs 1000 per unit. Looking to this, we have treated the difference accordingly by having proper provision in the first quarter of this year. The Company's Profit before exceptional items and tax was Rs. 936.70 Lakhs which was Rs. 1,639.76 in the Previous Year . The Company had Net Profit after tax of Rs. 625.46 during current year (Previous year Profit Rs. 1,036.82). The Basic and Diluted EPS of the Company for FY 2018-19 is Rs. 4.94 and Rs. 4.94 respectively.

### **Consolidated**

During the year under review, the Company had consolidated revenue of Rs. 3,004.91 Lakhs (previous year Rs. 6,844.05). The Company's Consolidated net profit after tax stood at Rs. 720.50 Lakhs (Previous year Rs. 2,400.31 Lakhs).

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

### **AMOUNT TRANSFERRED TO RESERVES IF ANY:**

No amount was transferred to reserves during the year under review.

### **DIVIDEND:**

Your Directors are pleased to recommend a dividend of Rs. 3/- per share on Equity Shares of the Company as on the date of closure of register of members. The resultant dividend would result in total cash outflow of Rs. 379.86 lakhs excluding dividend tax.

### **CHANGE IN NATURE OF BUSINESS:**

No change in the nature of Business of the Company during the period under review.

### **DEPOSITS:**

During the year under review, the Company has not accepted/ renewed deposit from public/ shareholders as per the applicable provisions of the new Companies Act, 2013 and Companies (acceptance of Deposits) Rules, 2014. There is no overdue deposit as on 31<sup>st</sup> March, 2019.

### **CONSOLIDATED ACCOUNTS:**

As required under the Listing Regulations 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) read with AS-23 on the Accounting for investment in Associates and AS – 27 on financial reporting of interests in Joint Ventures.

### **SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATE COMPANIES:-**

The Company has following Subsidiaries and Associate companies:

| Sr.No | Name of the Subsidiary/JV/Associate  | Nature     | Business                                  |
|-------|--|------------|---|
| 1.    | AEML Investments Limited<br>(Formerly known as Apollo Earthmovers Limited) | Subsidiary | Equipment Manufacturing and NBFC Activity |
| 2.    | Apollo FBC Crushing Equipments Limited                                     | Subsidiary | Equipment Manufacturing                   |
| 3.    | Credo Mineral Industries Limited   | Associate  | Mining & Processing                       |

Further, a statement containing salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 is appended as "**Annexure-A**" to the Board's Report. The statement also provides the details of performances, financial position of each of the subsidiaries.

The Company does not have any Joint Venture.

### **RECLASSIFICATION OF PROMOTER HOLDING:**

During the year the applications made by the Company to BSE Limited and National Stock Exchange of India Limited for the reclassification of the category from Promoter to Public of certain shareholders namely Somabhai Patel, Maganbhai Patel and Arvindbhai Tribhovandas Patel HUF, forming part of promoter group of the Company were approved by BSE Ltd vide reference no. LIST/COPM/BP/1100/2018-19 dated 06.02.2019 and National Stock Exchange of India Limited vide reference no. NSE/LIST/73249 dated 06.02.2019. Thus, they will henceforth be a part of Public category.

# GUJARAT APOLLO INDUSTRIES LIMITED

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## **CORPORATE GOVERNANCE:-**

A separate report on Corporate Governance Compliance as stipulated in Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") forms part of the Director's Report.

## **AUDIT COMMITTEE:-**

The Company has in place an Audit Committee in terms of requirements of the Act read with rules framed thereunder and Listing Regulations. The details relating to the Audit Committee are given in the Corporate Governance Report forming part of this report. The recommendations of Audit Committee were duly accepted by the Board of Directors.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-**

As per Listing Regulations, the Management Discussion and Analysis, is appended to this report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:-**

### **1. Resignation / Cessation**

During the year under review, none of the Directors or KMPs resigned from the Company.

### **2. Appointments**

During the year under review, none of the Directors or KMPs was appointed.

### **3. Retirement by Rotation**

At the ensuing Annual General Meeting Mr. Manibhai V. Patel and Mrs. Nayna A. Patel who retires by rotation and being eligible offers themselves for re-appointment.

There being no other changes in directorship or KMPs of the Company during the year under review.

The details of Directors seeking appointment, re-appointment at the ensuing Annual General Meeting has been provided in the Notice of the Annual General Meeting, forming part of the Annual Report.

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134 (5) of the Companies Act, 2013 ("Act"), and based on the representations received from the operating management, the Directors hereby confirm:

- that in the preparation of Annual Accounts, the applicable Accounting Standards had been followed and that no material departures have been made from the same.
- that they had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period.
- that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that they had prepared the Annual Accounts on a going concern basis.
- that the Company had adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DECLARATION BY INDEPENDENT DIRECTORS:-**

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

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**BOARD MEETINGS:-**

The Board of Directors duly met 4 (Four) times respectively on 30.05.2018, 11.08.2018, 14.11.2018 and 13.02.2019 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report attached hereto which forms part of this Report.

**BOARD EVALUATION:-**

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board that of its committees and individual Directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Board works with the Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of executive/ non-executive/ independent directors.

The evaluation of all the Directors, Committees and the Board as a whole was conducted based on the criteria and framework adopted by the Board and results of the evaluation is satisfactory and adequate and meets the requirements. The Board approved the evaluation results as collated by the Nomination & Remuneration Committee.

**DETAILS OF COMMITTEE OF DIRECTORS:**

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, CSR Committee, Risk Management Committee and Stake Holders Relationship/ Grievances Committee of Directors, number of meetings held of each Committee during the Financial year 2018-19 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of the report.

**REMUNERATION POLICY:-**

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company's policy on appointment and remuneration of Directors and Key Managerial Personnel which was approved and adopted by the Board of Directors in its Meeting held on May 30, 2014. The Remuneration Policy is stated in the Corporate Governance Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:-**

The particulars regarding conservation of energy, technology absorption and Foreign Exchange earnings and outgo pursuant to 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure B".

**EXTRACT OF ANNUAL RETURN:-**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure C".

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:-**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil mechanism/Whistle Blower Policy. This policy is explained in corporate governance report and also posted on the website of company i.e. <http://www.apollo.co.in>

**POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has in place a Policy on Prevention of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and Internal Complaints Committee has also been set up to redress complaints regarding sexual harassment. During the year, no complaint with allegations of sexual harassment was received by the Company.

# **GUJARAT APOLLO INDUSTRIES LIMITED**

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## **CORPORATE SOCIAL RESPONSIBILITY:-**

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs is available on the Company's website [www.apollo.co.in](http://www.apollo.co.in) for reference. Further the report on CSR activities pursuant to clause (o) sub-section (3) of section 134 of The Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014 is in **Annexure D** to this report.

## **STATUTORY AUDITORS:-**

M/s. DJNV & Co., Chartered Accountants statutory auditors of the Company, were appointed as statutory auditors of the Company for a period of five years from the financial year 2015-16 till the financial year 2019-20.

## **COMMENTS ON AUDITORS' REPORT:-**

There is no adverse comment in the Auditors' Report which requires any further explanation.

## **SECRETARIAL AUDITOR:-**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ashish Shah & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2018-19. The Secretarial Audit Report is appended to this report as "**Annexure E**".

## **COMMENTS ON SECRETARIAL AUDITORS' REPORT:-**

The Secretarial Auditor has raised following qualifications in his Report:

1. Company has not filed form IEPF-4 regarding statement of shares to be transferred to the Investor Education and Protection Fund for the financial year 2017-18.
2. Company has made delay of more than 2 months in furnishing the consolidated financial results for the quarter / financial year ended on 31.03.2018 with the stock exchange(s).

## **REPLY OF DIRECTORS WITH RESPECT TO ABOVE QUALIFICATION RAISED BY SECRETARIAL AUDITOR:**

The replies with respect to above qualification are as follows:

1. Company has not filed form IEPF-4 regarding statement of shares to be transferred to the Investor Education and Protection Fund for the financial year 2017-18.

The Company was quite regular in follow up with the RTA of the Company and have also initiated necessary actions, like finalizing the list of Members and have sent them intimation letter, etc. since December 2017. However, the further delay was absolutely inadvertent mainly due to certain disputed cases. Despite of delay the said Form IEPF-4 for the financial year 2009-10 was filed vide SRN H65463168.

2. Company has made delay of more than 2 months in furnishing the consolidated financial results for the quarter / financial year ended on 31.03.2018 with the stock exchange(s).

The Company had sought extension of time to submit and publish consolidated audited financial results for the year ended 31<sup>st</sup> March, 2018 due to unavailability of financials from the subsidiary Company facing technical issues. The same was submitted immediately on finalization in the next quarter.

There is no other adverse comment in the Secretarial Auditors' Report which requires any further explanation.

## **COST AUDITORS AND COST RECORD:-**

Cost Audit is not applicable to the Company for FY 2018-19. However, maintenance of Cost Records are applicable under the Companies (Cost Records Audit) Rules, 2014. The Company has maintained the cost records as per the provisions of Section 148 of the Companies Act, 2013 and the rules made thereunder.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:-**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS (RPT):-**

During the period under review there were transactions with related parties as defined under Section 188 of the Companies Act, 2013. Details of the same are annexed in prescribed Form AOC-2 as “Annexure F” and forming part of this report.

**INTERNAL CONTROL SYSTEMS:-**

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors.

**PARTICULARS OF EMPLOYEES:-**

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.

This cannot be ascertained as the Directors do not draw any Remuneration.

- b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year.

Percentage Increase in Remuneration for FY 2018-19

|        |       |
|--------|-------|
| MD/CEO | NIL   |
| CFO    | 3.73% |
| CS     | 3.22% |

- c. The percentage increase in the median of employees in the financial year:-18.42%
- d. The number of permanent employees on the rolls of the Company: 89 Nos.
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The Average percentile increase/decrease made in salaries of employees is -16.06% while that of KMP is 3.47%

- f. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

|                              | Amt. ` In Lakhs |                |
|------------------------------|-----------------|----------------|
|                              | KMP             | Other than KMP |
| Remuneration in FY 18-19     | 18.74           | 270.14         |
| Revenue                      | 2,983.16        | 2,983.16       |
| Remuneration as % of revenue | 0.63%           | 9.05%          |
| Profit before Tax (PBT)      | 619.20          | 619.20         |
| Remuneration (as % of PBT)   | 3.03%           | 43.63%         |

- g. Affirmation that the remuneration is as per the remuneration policy of the company

The Company affirms remuneration as per the remuneration policy of the Company.

The company does not have any employee covered under the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.

# **GUJARAT APOLLO INDUSTRIES LIMITED**

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## **RISK MANAGEMENT:-**

The Company had a Risk Management Committee with defined role and responsibilities. During the year under review, the Committee was constituted in the compliance of requirement listing regulations. The details of the same are forming part of the Corporate Governance Report

## **EQUAL OPPORTUNITY EMPLOYER:-**

The Company has always provided a congenial atmosphere for work to all employees that are free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, colour, marital status and sex. The Company has also framed a Policy on "Prevention of Sexual Harassment" at the workplace in line with provisions of the Sexual Harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. All the employees are treated with dignity with a view to maintain a work environment free from harassment whether physical, verbal or psychological. There were no cases reported under the said Policy during the year.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the ends of the financial year of the Company to which the financial statements relate and the date of the report.

## **SIGNIFICANT AND MATERIAL ORDERS**

There are no material orders passed by Regulators, Courts or Tribunals impacting the going concern status and company's operations in future.

## **INDUSTRIAL RELATIONS:-**

The relationship with the workmen and staff remained co-ordial and harmonious during the year and management received full cooperation from employees.

## **FRAUDS REPORTED BY AUDITORS:**

During the Year under review, no frauds were reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee/ Board.

## **COMPLIANCE WITH SECRETARIAL STANDARD:-**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

## **CAUTIONARY STATEMENT:-**

Statements in the Boards' Report and the Management Discussion and Analysis describing the Company's objectives, explanations and predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

## **ACKNOWLEDGEMENT:**

Your Directors place on record their sincere appreciation for the continuous support and cooperation received from the Business Associates including vendors, customers and Banks. Your Directors greatly appreciates overwhelming cooperation, dedication, commitment and contribution made by employees at all levels and look forward for their continued support in future as well. Your Directors would also wish to place on record their gratitude to the shareholders for having faith on the management of the Company.

**For and on behalf of the Board of Directors**

**Place : Ahmedabad  
Dated : 14<sup>th</sup> August, 2019**

**Asit A. Patel  
Managing Director  
DIN:00093332**

**Anand A. Patel  
Director  
DIN:00002277**

## ANNEXURE “A” TO DIRECTORS’ REPORT

### Form AOC 1

Pursuant to the first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014.

**Statement Containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures**

#### Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in `)

| Sl. No. | Particulars   | Details  |  |
|---------|---|--|--|
| 1.      | Name of the subsidiary  | AEML Investments Limited<br>(Formerly known as<br>Apollo Earthmovers Ltd). | Apollo FBC Crushing<br>Equipments Ltd. |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company’s reporting period                     | 2018-19  | 2018-19                                |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR  | INR                                    |
| 4.      | Share capital   | 3,60,00,000  | 5,00,000                               |
| 5.      | Reserves & surplus  | 2,08,94,13,344   | (11,55,566)                            |
| 6.      | Total assets  | 2,17,01,95,850   | 5,54,345                               |
| 7.      | Total Liabilities   | 4,47,82,293  | 12,09,911                              |
| 8.      | Investments   | 1,39,22,60,000   | -                                      |
| 9.      | Turnover  | 21,75,000  | -                                      |
| 10.     | Profit before taxation  | 3,21,75,347  | (15,803)                               |
| 11.     | Provision for taxation  | 1,20,81,000  | -                                      |
| 12.     | Profit after taxation   | 2,00,94,347  | (15,803)                               |
| 13.     | Proposed Dividend   | Nil  | Nil                                    |
| 14.     | % of shareholding   | 100%   | 100%                                   |

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

# GUJARAT APOLLO INDUSTRIES LIMITED

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of associates/Joint Ventures |  | Credo Mineral Industries Ltd (CMIL).          |
|-----------------------------------|--|---|
| 1.                                | Latest audited Balance Sheet Date  | 31.03.2019                                    |
| 2.                                | Shares of Associate/Joint Ventures held by the company on the year end     |   |
|                                   | No.  | 1,50,57,925                                   |
|                                   | Amount of Investment in Associates/Joint Venture                           | 26,40,28,147                                  |
|                                   | Extend of Holding%   | 23.10%  |
| 3.                                | Description of how there is significant influence                          | Holding more than 20% of total share capital. |
|                                   | Reason why the associate/joint venture is not consolidated                 | NA  |
| 5.                                | Net worth attributable to shareholding as per latest audited Balance Sheet | ` 2,54,04,72,455/-                            |
| 6.                                | Profit/Loss for the year   | ` 1,91,12,333/-                               |
|                                   | i. Considered in Consolidation   | ` 44,14,945/-                                 |
|                                   | ii. Not Considered in Consolidation  | NA  |

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of Board of Directors

Asit Patel  
Managing Director  
DIN:00093332

Navinchandra V. Shah  
Director  
DIN: 03027647

Bharat Dave  
Chief Financial Officer

Neha Chikani Shah  
Company Secretary  
M'ship No:A-25420

Place : Ahmedabad  
Dated : 14<sup>th</sup> August, 2019

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**ANNEXURE “B” TO DIRECTORS’ REPORT**

**A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

a. The Steps taken or impact on conservation of energy:-

The Company attaches a great deal of importance to energy conservation. Efforts to conserve Energy continued during the year through timely preventive maintenance and inspection of major plant and machinery.

b. The steps taken by the Company for utilizing alternate sources of energy

No step is taken to utilize alternate sources of energy.

c. The Capital investment on energy conservation equipment

No Capital investments are planned at this stage.

**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**

a) Efforts: The Company has been able to indigenize components required for the manufacture Crushers and other machineries.

b) Benefits derived : better product and indirect saving in foreign exchange

c) Particulars of technology imported during the past 5 years: No technology is imported during past 5 years.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Foreign Exchange Earning: ₹ 7,31,02,857/-

Foreign Exchange Outgo : ₹ 14,76,933/-

**For and on behalf of the Board of Directors**

Place : Ahmedabad  
Dated : 14<sup>th</sup> August, 2019

**Asit A. Patel**  
Managing Director  
DIN:00093332

**Anand A. Patel**  
Director  
DIN:00002277

# GUJARAT APOLLO INDUSTRIES LIMITED

## ANNEXURE "C" TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I REGISTRATION & OTHER DETAILS:

|     |  |  |
|-----|--|--|
| i   | CIN  | L45202GJ1986PLC009042  |
| ii  | Registration Date  | 7-Oct-86   |
| iii | Name of the Company  | GUJARAT APOLLO INDUSTRIES LIMITED  |
| iv  | Category of the Company  | Public Limited Company   |
| v   | <b>Address of the Registered office &amp; contact details</b>        |  |
|     | Address :  | Block No. 486, 487, 488, Mouje Dholasan, Taluka & District Mehsana   |
|     | Town / City :  | Mehsana  |
|     | State :  | Gujarat - 382732   |
|     | Country Name :   | India  |
|     | Telephone (with STD Code) :  | 7228011811   |
|     | Fax Number :   | —  |
|     | Email Address :  | info@apollo.co.in  |
|     | Website, if any:   | www.apollo.co.in   |
| vi  | Whether listed company   | yes  |
| vii | <b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b> |  |
|     | Name of RTA:   | Link Intime India Private Limited  |
|     | Address :  | 5TH Floor, 506 TO 508, Amarnath Business Centre – 1 ( ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Elliesebidge |
|     | Town / City :  | Ahmedabad  |
|     | State :  | Gujarat  |
|     | Pin Code:  | 380009   |
|     | Telephone :  | 079 – 26465179   |
|     | Fax Number :   | 079 - 26465179   |
|     | Email Address :  | ahmedabad@linkintime.com   |

### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services                | NIC Code of the Product / service | % to total turnover of the company |
|---------|---|-----------------------------------|------------------------------------|
| 1       | manufacture of machinery for mining, quarrying and construction | 2824                              | 100%                               |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled

3

| S. No. | NAME AND ADDRESS OF THE COMPANY  | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|--------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1      | AEML Investments Limited<br>(Formerly known as Apollo Earthmovers Limited) | U29210GJ1980PLC004064 | Subsidiary                     | 100%             | 2(87)              |
| 2      | Apollo FBC Crushing Equipments Limited                                     | U29100GJ2014PLC078597 | Subsidiary                     | 100%             | 2(87)              |
| 3      | Credo Mineral Industries Limited   | U10300GJ1995PLC064782 | Associate                      | 23.10%           | 2(6)               |

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

| Category of Shareholders                          | No. of Shares held at the beginning of the year - 2018 |          |         |                   | No. of Shares held at the end of the year - 2019 |          |         |                   | % Change during the year |
|---|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
|   | Demat  | Physical | Total   | % of Total Shares | Demat  | Physical | Total   | % of Total Shares |                          |
| A. Shareholding of Promoter and Promoter Group    |  |          |         |                   |  |          |         |                   |                          |
| <b>(1) Indian</b>                                 |  |          |         |                   |  |          |         |                   |                          |
| a) Individual/ HUF                                | 7340783  | 0        | 7340783 | 57.9753           | 7148087  | 0        | 7148087 | 56.4534           | -1.5219                  |
| b) Central Govt/                                  |  |          |         |                   |  |          |         |                   |                          |
| State Govt(s)                                     | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0.00              | 0                        |
| c) Banks / FI                                     | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0.00              | 0                        |
| d) Any other (Specify)                            |  |          |         |                   |  |          |         |                   | 0                        |
| Sub Total (A)(1)                                  | 7340783  | 0        | 7340783 | 57.9753           | 7148087  | 0        | 7148087 | 56.4534           | -1.5219                  |
| <b>(2) Foreign</b>                                |  |          |         |                   |  |          |         |                   |                          |
| a) Individuals                                    |  |          |         |                   |  |          |         |                   |                          |
| (Non-Resident                                     |  |          |         |                   |  |          |         |                   |                          |
| Individuals /                                     |  |          |         |                   |  |          |         |                   |                          |
| Foreign Individuals)                              | 769918   | 0        | 769918  | 6.0806            | 0  | 0        | 0       | 0.0000            | -6.0806                  |
| (b) Government                                    | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0.00              | 0                        |
| (c) Institutions                                  | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0.00              | 0                        |
| (d) Foreign Portfolio Investor                    | 0  | 0        | 0       | 0.00              | 0  | 0        | 0       | 0.00              | 0                        |
| (e) Any Other (Specify)                           |  |          |         |                   |  |          |         |                   | 0                        |
| Sub Total (A)(2)                                  | 769918   | 0        | 769918  | 6.0806            | 0  | 0        | 0       | 0.0000            | -6.0806                  |
| Total Shareholding of Promoter and Promoter Group |  |          |         |                   |  |          |         |                   |                          |
| Group(A)=(A)(1)+(A)(2)                            | 8110701  | 0        | 8110701 | 64.0559           | 7148087  | 0        | 7148087 | 56.4534           | -7.6025                  |

# GUJARAT APOLLO INDUSTRIES LIMITED

| B. Public Shareholding   |                 |               |                 |                 |                 |               |                 |                 |                |
|--|-----------------|---------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|----------------|
| <b>1. Institutions</b>   |                 |               |                 |                 |                 |               |                 | 0.00            | 0.00           |
| a) Mutual Funds/UTI  | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| b) Venture Capital Funds   | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| c) Alternate Investment Funds  | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| d) Foreign Venture Capital Investors   | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| e) Foreign Portfolio Investor  | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| f) FI / Banks  | 6178            | 0             | 6178            | 0.0488          | 2187            | 0             | 2187            | 0.0173          | -0.0315        |
| g) Insurance Companies   | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| h) Provident Funds/ Pension Funds  | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| (i) Any Other (Specify)  |                 |               |                 |                 |                 |               |                 |                 | 0              |
| <b>Sub-total (B)(1):-</b>  | 6178            | 0             | 6178            | 0.0488          | 2187            | 0             | 2187            | 0.0173          | -0.0315        |
| <b>2. Central Govt/ State Govt(s)/ President of India Sub Total (B)(2)</b>               | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| <b>3. Non-Institutions</b>   |                 |               |                 |                 |                 |               |                 |                 | 0              |
| (a) Individuals  |                 |               |                 |                 |                 |               |                 |                 | 0              |
| (i) Individual shareholders holding nominal share capital upto ` 1 lakh.                 | 1974569         | 288053        | 2262622         | '17.8695        | 1902723         | 246453        | 2149176         | 16.9735         | 0.8960         |
| (ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh         | 917144          | 11250         | 928394          | '7.3322         | 1284313         | 11250         | 1295563         | 10.2320         | 2.8998         |
| (b) NBFCs registered with RBI  | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| (c) Employee Trusts  | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| (d) Overseas Depositories (holding DRs) (balancing figure)                               | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| (e) Any Other (Specify)  |                 |               |                 |                 |                 |               |                 |                 | 0              |
| Trusts   | 100000          | 0             | 100000          | '0.7898         | 100000          | 0             | 100000          | 0.7898          | 0.0000         |
| HUF  | 150208          | 0             | 150208          | '1.1863         | 329856          | 0             | 329856          | 2.6051          | 1.4188         |
| Non Resident Indians (Non Repat)   | 112980          | 0             | 112980          | '0.8923         | 177512          | 0             | 177512          | 1.4019          | 0.5096         |
| Non Resident Indians (Repat)   | 316657          | 0             | 316657          | '2.5009         | 1077079         | 0             | 1077079         | '8.5064         | '6.0055        |
| Clearing Member  | 26315           | 0             | 26315           | '0.2078         | 6061            | 0             | 6061            | '0.0479         | '-0.1599       |
| Bodies Corporate   | 646960          | 900           | 647860          | '5.1166         | 375494          | 900           | 376394          | '2.9726         | '-2.1440       |
| <b>Sub Total (B)(3)</b>  | <b>4244833</b>  | <b>300203</b> | <b>4545036</b>  | <b>'35.8953</b> | <b>5253038</b>  | <b>258603</b> | <b>5511641</b>  | <b>43.5293</b>  | <b>'7.6340</b> |
| <b>Total Public Shareholding(B)= (B)(1)+(B)(2)+(B)(3)</b>                                | <b>4251011</b>  | <b>300203</b> | <b>4551214</b>  | <b>'35.9441</b> | <b>5255225</b>  | <b>258603</b> | <b>5513828</b>  | <b>43.5466</b>  | <b>'7.6025</b> |
| <b>Total (A)+(B)</b>   | <b>12361712</b> | <b>300203</b> | <b>12661915</b> | <b>100.0000</b> | <b>12403312</b> | <b>258603</b> | <b>12661915</b> | <b>100.0000</b> | <b>'0.0000</b> |
| <b>(C) Non Promoter - Non Public</b>   |                 |               |                 |                 |                 |               |                 |                 | 0              |
| [1] Custodian/DR Holder  | 0               | 0             | 0               | 0               | 0               | 0             | 0               | 0.00            | 0              |
| [2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0               | 0             | 0               | 0.00            | 0               | 0             | 0               | 0.00            | 0              |
| <b>Total (A)+(B)+(C)</b>   | <b>12361712</b> | <b>300203</b> | <b>12661915</b> | <b>100.0000</b> | <b>12403312</b> | <b>258603</b> | <b>12661915</b> | <b>100.0000</b> | <b>'0.0000</b> |

**ii Shareholding of Promoters**

| SN | Shareholder's Name             | Shareholding at the beginning of the year-2018 |                                  |  | Shareholding at the end of the year-2019 |                                  |  | % change in share holding during the year |
|----|--------------------------------|--|----------------------------------|--|--|----------------------------------|--|---|
|    |                                | No. of Shares                                  | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                            | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1  | Asit Anilkumar Patel HUF       | 2250528  | '17.7740                         | '0.0000  | 2250528                                  | '17.7740                         | '0.0000  | '0.0000                                   |
| 2  | Anand A Patel                  | 1059000  | '8.3637                          | '0.0000  | 1059000                                  | '8.3637                          | '0.0000  | '0.0000                                   |
| 3  | Somabhai H Patel               | 538002   | '4.2490                          | '0.0000  | 0  | '0.0000                          | '0.0000  | '-4.2490                                  |
| 4  | Anilkumar Tribhovandas Patel   | 534125   | '4.2184                          | '0.0000  | 0  | '0.0000                          | '0.0000  | '-4.2184                                  |
| 5  | Manankumar Manilal Patel       | 444933   | '3.5139                          | '0.0000  | 444933                                   | '3.5139                          | '0.0000  | '0.0000                                   |
| 6  | Maulikkumar Manilal Patel      | 421705   | '3.3305                          | '0.0000  | 421705                                   | '3.3305                          | '0.0000  | '0.0000                                   |
| 7  | Anilkumar T Patel HUF          | 419761   | '3.3151                          | '0.0000  | 419761                                   | '3.3151                          | '0.0000  | '0.0000                                   |
| 8  | Sonali Anand Patel             | 354900   | '2.8029                          | '0.0000  | 354900                                   | '2.8029                          | '0.0000  | '0.0000                                   |
| 9  | Parth Rashmikant Patel         | 339900   | '2.6844                          | '0.0000  | 339900                                   | '2.6844                          | '0.0000  | '0.0000                                   |
| 10 | Shardaben Anilkumar Patel      | 312776   | '2.4702                          | '0.0000  | 846901                                   | '6.6886                          | '0.0000  | '4.2184                                   |
| 11 | Maganbhai Harjivandas Patel    | 231916   | '1.8316                          | '0.0000  | 0  | '0.0000                          | '0.0000  | '-1.8316                                  |
| 12 | Manibhai Virchanddas Patel     | 202639   | '1.6004                          | '0.0000  | 228289                                   | '1.8030                          | '0.0000  | '0.2026                                   |
| 13 | Manjula R Patel                | 200000   | '1.5795                          | '0.0000  | 200000                                   | '1.5795                          | '0.0000  | '0.0000                                   |
| 14 | Arvindbhai T Patel HUF         | 192696   | '1.5219                          | '0.0000  | 0  | '0.0000                          | '0.0000  | '-1.5219                                  |
| 15 | Roy Asit Patel                 | 105000   | '0.8293                          | '0.0000  | 105000                                   | '0.8293                          | '0.0000  | '0.0000                                   |
| 16 | Anu Asit Patel                 | 94525  | '0.7465                          | '0.0000  | 94525                                    | '0.7465                          | '0.0000  | '0.0000                                   |
| 17 | Arjun Asit Patel               | 94078  | '0.7430                          | '0.0000  | 94078                                    | '0.7430                          | '0.0000  | '0.0000                                   |
| 18 | Janardanbhai J Raval           | 89700  | '0.7084                          | '0.0000  | 89700                                    | '0.7084                          | '0.0000  | '0.0000                                   |
| 19 | Pravinkumar P Patel            | 56500  | '0.4462                          | '0.0000  | 56500                                    | '0.4462                          | '0.0000  | '0.0000                                   |
| 20 | Aryan Anand Patel              | 35200  | '0.2780                          | '0.0000  | 35200                                    | '0.2780                          | '0.0000  | '0.0000                                   |
| 21 | Amit J Raval                   | 31500  | '0.2488                          | '0.0000  | 31500                                    | '0.2488                          | '0.0000  | '0.0000                                   |
| 22 | Nayna Asit Patel               | 27100  | '0.2140                          | '0.0000  | 27100                                    | '0.2140                          | '0.0000  | '0.0000                                   |
| 23 | Maniben Manilal Patel          | 25650  | '0.2026                          | '0.0000  | 0  | '0.0000                          | '0.0000  | '-0.2026                                  |
| 24 | Kailashben Manibhai Patel      | 24525  | '0.1937                          | '0.0000  | 24525                                    | '0.1937                          | '0.0000  | '0.0000                                   |
| 25 | Parul Pravinbhai Patel         | 11050  | '0.0873                          | '0.0000  | 11050                                    | '0.0873                          | '0.0000  | '0.0000                                   |
| 26 | Patel Pravin Purshottamdas HUF | 6255   | '0.0494                          | '0.0000  | 6255                                     | '0.0494                          | '0.0000  | '0.0000                                   |
| 27 | Asit Patel                     | 5000   | '0.0395                          | '0.0000  | 5000                                     | '0.0395                          | '0.0000  | '0.0000                                   |
| 28 | Dhruv Ashokbhai Patel          | 1037   | '0.0082                          | '0.0000  | 1037                                     | '0.0082                          | '0.0000  | '0.0000                                   |
| 29 | Arnav Anand Patel              | 600  | '0.0047                          | '0.0000  | 600                                      | '0.0047                          | '0.0000  | '0.0000                                   |
| 30 | Rashmikant H Patel             | 100  | '0.0008                          | '0.0000  | 100                                      | '0.0008                          | '0.0000  | '0.0000                                   |
|    | Total                          | 8110701  | '64.0559                         | '0.0000  | 7148087                                  | '56.4534                         | '0.0000  | '-7.6025                                  |

## GUJARAT APOLLO INDUSTRIES LIMITED

### (iii) Change in Promoters Shareholding

| Sr No. | Name & Type of Transaction  | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2019 |                                  |
|--------|-----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |                             | NO.OF SHARES HELD                                | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION          | NO. OF SHARES | NO OF SHARES HELD                                     | % OF TOTAL SHARES OF THE COMPANY |
| 1      | ASIT ANILKUMAR PATEL HUF    | 2250528  | 17.7740                          |                              |               | 2250528   | 17.7740                          |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 2250528   | 17.7740                          |
| 2      | ANAND A PATEL               | 1059000  | 8.3637                           |                              |               | 1059000   | 8.3637                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 1059000   | 8.3637                           |
| 3      | SHARDABEN ANILKUMAR PATEL   | 312776   | 2.4702                           |                              |               | 312776  | 2.4702                           |
|        | Transmission                |  |                                  | 09 Apr 2018                  | 534125        | 846901  | 6.6886                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 846901  | 6.6886                           |
| 4      | SOMABHAI H PATEL            | 538002   | 4.2490                           |                              |               | 538002  | 4.2490                           |
|        | Transfer                    |  |                                  | 06 Jul 2018                  | (25827)       | 512175  | 4.0450                           |
|        | Transfer                    |  |                                  | 10 Aug 2018                  | 25827         | 538002  | 4.2490                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 538002  | 4.2490                           |
| 5      | MANANKUMAR MANILAL PATEL    | 444933   | 3.5139                           |                              |               | 444933  | 3.5139                           |
|        | Transfer                    |  |                                  | 20 Apr 2018                  | (10722)       | 434211  | 3.4293                           |
|        | Transfer                    |  |                                  | 04 May 2018                  | 10722         | 444933  | 3.5139                           |
|        | Transfer                    |  |                                  | 06 Jul 2018                  | (204933)      | 240000  | 1.8954                           |
|        | Transfer                    |  |                                  | 10 Aug 2018                  | 204933        | 444933  | 3.5139                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 444933  | 3.5139                           |
| 6      | MAULIKKUMAR MANILAL PATEL   | 421705   | 3.3305                           |                              |               | 421705  | 3.3305                           |
|        | Transfer                    |  |                                  | 02 Nov 2018                  | (220)         | 421485  | 3.3288                           |
|        | Transfer                    |  |                                  | 09 Nov 2018                  | 6             | 421491  | 3.3288                           |
|        | Transfer                    |  |                                  | 16 Nov 2018                  | 214           | 421705  | 3.3305                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 421705  | 3.3305                           |
| 7      | ANILKUMAR T PATEL HUF       | 419761   | 3.3151                           |                              |               | 419761  | 3.3151                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 419761  | 3.3151                           |
| 8      | SONALI ANAND PATEL          | 354900   | 2.8029                           |                              |               | 354900  | 2.8029                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 354900  | 2.8029                           |
| 9      | PARTH RASHMIKANT PATEL      | 339900   | 2.6844                           |                              |               | 339900  | 2.6844                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 339900  | 2.6844                           |
| 10     | MAGANBHAI HARJIVANDAS PATEL | 231916   | 1.8316                           |                              |               | 231916  | 1.8316                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 231916  | 1.8316                           |
| 11     | MANIBHAI VIRCHANDDAS PATEL  | 202639   | 1.6004                           |                              |               | 202639  | 1.6004                           |
|        | Transfer                    |  |                                  | 09 Nov 2018                  | 25650         | 228289  | 1.8030                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 228289  | 1.8030                           |
| 12     | MANJULA R PATEL .           | 200000   | 1.5795                           |                              |               | 200000  | 1.5795                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 200000  | 1.5795                           |
| 13     | ARVINDBHAI T PATEL HUF      | 192696   | 1.5219                           |                              |               | 192696  | 1.5219                           |
|        | Transfer                    |  |                                  | 22 Jun 2018                  | 2346          | 195042  | 1.5404                           |
|        | Transfer                    |  |                                  | 30 Jun 2018                  | 4855          | 199897  | 1.5787                           |
|        | Transfer                    |  |                                  | 10 Aug 2018                  | 69            | 199966  | 1.5793                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 199966  | 1.5793                           |
| 14     | ROY ASIT PATEL              | 105000   | 0.8293                           |                              |               | 105000  | 0.8293                           |
|        | AT THE END OF THE YEAR      |  |                                  |                              |               | 105000  | 0.8293                           |

|    |                               |        |        |             |          |        |        |
|----|-------------------------------|--------|--------|-------------|----------|--------|--------|
| 15 | ANU ASIT PATEL                | 94525  | 0.7465 |             |          | 94525  | 0.7465 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 94525  | 0.7465 |
| 16 | ARJUN ASIT PATEL              | 94078  | 0.7430 |             |          | 94078  | 0.7430 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 94078  | 0.7430 |
| 17 | JANARDANBHAI JAYANTILAL RAVAL | 89700  | 0.7084 |             |          | 89700  | 0.7084 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 89700  | 0.7084 |
| 18 | PRAVINKUMAR P PATEL           | 56500  | 0.4462 |             |          | 56500  | 0.4462 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 56500  | 0.4462 |
| 19 | ARYAN ANAND PATEL             | 35200  | 0.2780 |             |          | 35200  | 0.2780 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 35200  | 0.2780 |
| 20 | AMIT J RAVAL                  | 31500  | 0.2488 |             |          | 31500  | 0.2488 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 31500  | 0.2488 |
| 21 | NAYNA ASIT PATEL              | 27100  | 0.2140 |             |          | 27100  | 0.2140 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 27100  | 0.2140 |
| 22 | KAILASHBEN MANIBHAI PATEL     | 24525  | 0.1937 |             |          | 24525  | 0.1937 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 24525  | 0.1937 |
| 23 | PARUL PRAVINBHAI PATEL        | 11050  | 0.0873 |             |          | 11050  | 0.0873 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 11050  | 0.0873 |
| 24 | PATEL PRAVIN P HUF            | 6255   | 0.0494 |             |          | 6255   | 0.0494 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 6255   | 0.0494 |
| 25 | ASIT PATEL                    | 5000   | 0.0395 |             |          | 5000   | 0.0395 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 5000   | 0.0395 |
| 26 | DHRUV ASHOKBHAI PATEL         | 1037   | 0.0082 |             |          | 1037   | 0.0082 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 1037   | 0.0082 |
| 27 | ARNAV ANAND PATEL             | 600    | 0.0047 |             |          | 600    | 0.0047 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 600    | 0.0047 |
| 28 | RASHAMIKANT H PATEL           | 100    | 0.0008 |             |          | 100    | 0.0008 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 100    | 0.0008 |
| 29 | ANILKUMAR TRIBHOVANDAS PATEL  | 534125 | 4.2184 |             |          | 534125 | 4.2184 |
|    | Transmission                  |        |        | 09 Apr 2018 | (534125) | 0      | 0.0000 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 0      | 0.0000 |
| 30 | MANIBEN MANILAL PATEL         | 25650  | 0.2026 |             |          | 25650  | 0.2026 |
|    | Transmission                  |        |        | 09 Nov 2018 | (25650)  | 0      | 0.0000 |
|    | AT THE END OF THE YEAR        |        |        |             |          | 0      | 0.0000 |

Notes:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 12661915 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

## GUJARAT APOLLO INDUSTRIES LIMITED

### (iv) Shareholding Pattern of Top Ten Shareholders

| Sr No. | Name & Type of Transaction    | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year-2019 |                                  |
|--------|-------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |                               | No. of Shares held                               | % of total Shares of the Company | Date of Transaction          | No. of Shares | No. of Shares held                                  | % of total Shares of the Company |
| 1      | Somabhai H. Patel             | 538002   | 4.2490                           |                              |               | 538002  | 4.2490                           |
|        | Transfer                      |  |                                  | 06 Jul 2018                  | (25827)       | 512175  | 4.0450                           |
|        | Transfer                      |  |                                  | 10 Aug 2018                  | 25827         | 538002  | 4.2490                           |
|        | At the end of the year        |  |                                  |                              |               | 1604706   | 12.6735                          |
| 2      | Maganbhai Harjivandas Patel   | 231916   | 1.8316                           |                              |               | 231916  | 1.8316                           |
|        | At the end of the year        |  |                                  |                              |               | 460898  | 3.6400                           |
| 3      | Arvindbhai T. Patel HUF       | 192696   | 1.5219                           |                              |               | 192696  | 1.5219                           |
|        | Transfer                      |  |                                  | 22 Jun 2018                  | 2346          | 195042  | 1.5404                           |
|        | Transfer                      |  |                                  | 30 Jun 2018                  | 4855          | 199897  | 1.5787                           |
|        | Transfer                      |  |                                  | 06 Jul 2018                  | (199897)      | 0   | 0.0000                           |
|        | Transfer                      |  |                                  | 10 Aug 2018                  | 199966        | 199966  | 1.5793                           |
|        | At the end of the year        |  |                                  |                              |               | 199966  | 1.5793                           |
| 4      | Sharad Kanayalal Shah         | 145000   | 1.1452                           |                              |               | 145000  | 1.1452                           |
|        | Transfer                      |  |                                  | 27 Apr 2018                  | 2000          | 147000  | 1.1610                           |
|        | Transfer                      |  |                                  | 11 May 2018                  | 593           | 147593  | 1.1656                           |
|        | Transfer                      |  |                                  | 18 May 2018                  | 218           | 147811  | 1.1674                           |
|        | Transfer                      |  |                                  | 08 Jun 2018                  | 500           | 148311  | 1.1713                           |
|        | Transfer                      |  |                                  | 24 Aug 2018                  | 9200          | 157511  | 1.2440                           |
|        | Transfer                      |  |                                  | 12 Oct 2018                  | 10000         | 167511  | 1.3230                           |
|        | Transfer                      |  |                                  | 26 Oct 2018                  | 374           | 167885  | 1.3259                           |
|        | Transfer                      |  |                                  | 09 Nov 2018                  | 1500          | 169385  | 1.3378                           |
|        | Transfer                      |  |                                  | 23 Nov 2018                  | 2200          | 171585  | 1.3551                           |
|        | Transfer                      |  |                                  | 30 Nov 2018                  | 700           | 172285  | 1.3607                           |
|        | Transfer                      |  |                                  | 29 Mar 2019                  | 1215          | 173500  | 1.3703                           |
|        | At the end of the year        |  |                                  |                              |               | 173500  | 1.3703                           |
| 5      | Apollo Techno Equipments Ltd. | 302837   | 2.3917                           |                              |               | 302837  | 2.3917                           |
|        | Transfer                      |  |                                  | 25 May 2018                  | (4297)        | 298540  | 2.3578                           |
|        | Transfer                      |  |                                  | 15 Jun 2018                  | (612)         | 297928  | 2.3529                           |
|        | Transfer                      |  |                                  | 22 Jun 2018                  | (10000)       | 287928  | 2.2740                           |
|        | Transfer                      |  |                                  | 06 Jul 2018                  | (287928)      | 0   | 0.0000                           |
|        | Transfer                      |  |                                  | 10 Aug 2018                  | 263473        | 263473  | 2.0808                           |
|        | Transfer                      |  |                                  | 17 Aug 2018                  | (10000)       | 253473  | 2.0019                           |
|        | Transfer                      |  |                                  | 24 Aug 2018                  | (13086)       | 240387  | 1.8985                           |
|        | Transfer                      |  |                                  | 15 Jun 2018                  | 9267          | 12884   | 0.1018                           |
|        | Transfer                      |  |                                  | 22 Jun 2018                  | 15075         | 27959   | 0.2208                           |
|        | Transfer                      |  |                                  | 06 Jul 2018                  | (27959)       | 0   | 0.0000                           |
|        | Transfer                      |  |                                  | 03 Aug 2018                  | 53347         | 53347   | 0.4213                           |
|        | Transfer                      |  |                                  | 17 Aug 2018                  | 953           | 54300   | 0.4288                           |
|        | Transfer                      |  |                                  | 24 Aug 2018                  | 8240          | 62540   | 0.4939                           |
|        | Transfer                      |  |                                  | 31 Aug 2018                  | 2000          | 64540   | 0.5097                           |
|        | Transfer                      |  |                                  | 07 Sep 2018                  | 11500         | 76040   | 0.6005                           |
|        | Transfer                      |  |                                  | 14 Sep 2018                  | 17954         | 93994   | 0.7423                           |

|    |  |        |        |             |          |        |        |
|----|--|--------|--------|-------------|----------|--------|--------|
|    | Transfer                                 |        |        | 21 Sep 2018 | 22506    | 116500 | 0.9201 |
|    | Transfer                                 |        |        | 11 Jan 2019 | 2397     | 118897 | 0.9390 |
|    | Transfer                                 |        |        | 18 Jan 2019 | 4189     | 123086 | 0.9721 |
|    | Transfer                                 |        |        | 25 Jan 2019 | 1000     | 124086 | 0.9800 |
|    | Transfer                                 |        |        | 01 Feb 2019 | 4000     | 128086 | 1.0116 |
|    | Transfer                                 |        |        | 08 Feb 2019 | 1500     | 129586 | 1.0234 |
|    | At the end of the year                   |        |        |             |          | 129586 | 1.0234 |
| 7  | Ugrabhai Vanarshidas Patel               | 108783 | 0.8591 |             |          | 108783 | 0.8591 |
|    | At the end of the year                   |        |        |             |          | 108783 | 0.8591 |
| 8  | Carnegie Family Private Trust            | 100000 | 0.7898 |             |          | 100000 | 0.7898 |
|    | Transfer                                 |        |        | 06 Jul 2018 | (100000) | 0      | 0.0000 |
|    | Transfer                                 |        |        | 10 Aug 2018 | 100000   | 100000 | 0.7898 |
|    | At the end of the year                   |        |        |             |          | 100000 | 0.7898 |
| 9  | Omkareshwar Mines and Minerals Pvt. Ltd. | 100000 | 0.7898 |             |          | 100000 | 0.7898 |
|    | At the end of the year                   |        |        |             |          | 100000 | 0.7898 |
| 10 | Mithabhai K. Patel                       | 78653  | 0.6212 |             |          | 78653  | 0.6212 |
|    | At the end of the year                   |        |        |             |          | 78653  | 0.6212 |

**(v) Shareholding of Directors and KMP**

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year-2019 |                                  |
|--------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |                            | No. of Shares held                               | % of total Shares of the Company | Date of Transaction          | No. of Shares | No. of Shares held                                  | % of total Shares of the Company |
|        | <b>Directors</b>           |  |                                  |                              |               |   |                                  |
| 1      | ASIT ANILKUMAR PATEL       | 5000   | 0.03                             |                              |               | 5000  | 0.03                             |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 5000  | 0.03                             |
| 2      | ANAND A PATEL              | 1059000  | 7.75                             |                              |               | 1059000   | 7.75                             |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 1059000   | 7.75                             |
| 3      | MANIBHAI V PATEL           | 202639   | 1.4834                           | 09 Nov 2018                  | 25650         | 228289  | 1.80                             |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 202639  | 1.48                             |
| 4      | NAVINCHANDRA V SHAH        | 8100   | 0.06                             |                              |               | 8100  | 0.06                             |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 8100  | 0.06                             |
| 5      | KAPILABENA PATEL           | 0  | 0                                |                              |               | 0   | 0                                |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 0   | 0                                |
| 6      | NAYNA ASIT PATEL           | 27100  | 0.19                             |                              |               | 27100   | 0.19                             |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 27100   | 0.19                             |
| 7      | NAMAN MADHAV PATEL         | 5000   | 0.04                             |                              |               | 5000  | 0.04                             |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 5000  | 0.04                             |
|        | <b>KMP</b>                 |  |                                  |                              |               |   |                                  |
| 1      | NEHA CHIKANI SHAH - CS     | 0  | 0                                |                              |               | 0   | 0                                |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 0   | 0                                |
| 2      | BHARAT P DAVE - CFO        | 0  | 0                                |                              |               | 0   | 0                                |
|        | AT THE END OF THE YEAR     |  |                                  |                              |               | 0   | 0                                |

## GUJARAT APOLLO INDUSTRIES LIMITED

### V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness  |
|--|----------------------------------|-----------------|----------|---------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                     |
| i) Principal Amount  | 9,16,75,315                      | -               | -        | 9,16,75,315         |
| ii) Interest due but not paid                              | -                                | -               | -        | -                   |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                   |
| <b>Total (i+ii+iii)</b>                                    | <b>9,16,75,315</b>               | <b>-</b>        | <b>-</b> | <b>9,16,75,315</b>  |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                     |
| * Addition   | -                                | -               | -        | -                   |
| * Reduction  | -2,99,72,344                     | -               | -        | -2,99,72,344        |
| <b>Net Change</b>  | <b>-2,99,72,344</b>              | <b>-</b>        | <b>-</b> | <b>-2,99,72,344</b> |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                     |
| i) Principal Amount  | 12,16,47,659                     | -               | -        | 12,16,47,659        |
| ii) Interest due but not paid                              | -                                | -               | -        | -                   |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                   |
| <b>Total (i+ii+iii)</b>                                    | <b>12,16,47,659</b>              | <b>-</b>        | <b>-</b> | <b>12,16,47,659</b> |

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager | Total Amount |
|---------|---|-------------------------|--------------|
|         |   | Mr. Asit Patel          |              |
| 1       | Gross salary  | 196510                  | 196510       |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0                       | 0            |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 196510                  | 196510       |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | 0                       | 0            |
| 2       | Stock Option  | 0                       | 0            |
| 3       | Sweat Equity  | 0                       | 0            |
| 4       | Commission  |                         |              |
|         | - as % of profit  | 0                       | 0            |
|         | - others, specify   | 0                       | 0            |
| 5       | Others, please specify  | 0                       | 0            |
|         | Total (A)   | 196510                  | 196510       |
|         | Ceiling as per the Act  | 9429556                 | 9429556      |

B. Remuneration to other directors:

| Sl. no. | Particulars of Remuneration                | Name of Directors |                |                 |             |             | Total Amount |
|---------|--|-------------------|----------------|-----------------|-------------|-------------|--------------|
|         |  | N V Shah          | Manibhai Patel | Kapilaben Patel | Nayna Patel | Naman Patel |              |
| 1       | <b>Independent Directors</b>               |                   |                |                 |             |             |              |
|         | Fee for attending board committee meetings | 20000             | 0              | 10000           | 0           | 20000       | 50000        |
|         | Commission                                 |                   |                |                 |             |             |              |
|         | Others, please specify                     |                   |                |                 |             |             |              |
|         | Total (1)                                  | 20000             | 0              | 10000           | 0           | 20000       | 50000        |
| 2       | <b>Other Non-Executive Directors</b>       |                   |                |                 |             |             |              |
|         | Fee for attending board committee meetings | 0                 | 10000          | 0               | 10000       | 0           | 20000        |
|         | Commission                                 | 0                 | 0              | 0               | 0           | 0           | 0            |
|         | Others, please specify                     | 0                 | 0              | 0               | 0           | 0           | 0            |
|         | Total (2)                                  | 0                 | 10000          | 0               | 10000       | 0           | 20000        |
|         | Total (B)=(1+2)                            | 20000             | 10000          | 10000           | 10000       | 20000       | 70000        |
|         | Total Managerial Remuneration              | 20000             | 10000          | 10000           | 10000       | 20000       | 70000        |
|         | Overall Ceiling as per the Act             |                   |                |                 |             |             | 60,00,000    |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. no. | Particulars of Remuneration   | Key Managerial Personnel |         |        | Total   |
|---------|---|--------------------------|---------|--------|---------|
|         |   | CEO                      | CFO     | CS     |         |
| 1       | Gross salary  | 0                        | 1066346 | 824400 | 1890746 |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0                        | 1066346 | 824400 | 1890746 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0                        | 0       | 0      | 0       |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | 0                        | 0       | 0      | 0       |
| 2       | Stock Option  | 0                        | 0       | 0      | 0       |
| 3       | Sweat Equity  | 0                        | 0       | 0      | 0       |
| 4       | Commission  |                          |         |        |         |
|         | - as % of profit  | 0                        | 0       | 0      | 0       |
|         | - others, specify...  | 0                        | 0       | 0      | 0       |
| 5       | Others, please specify  | 0                        | 0       | 0      | 0       |
|         | Total   | 0                        | 1066346 | 824400 | 1890746 |

## GUJARAT APOLLO INDUSTRIES LIMITED

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type                     | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|--------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>        |                              |                   |   |                              |                                    |
| Penalty                  | -                            | -                 | -   | -                            | - -                                |
| Punishment               | -                            | -                 | -   | -                            | - -                                |
| Compounding              | -                            | -                 | -   | -                            | - -                                |
| <b>B. DIRECTORS</b>      |                              |                   |   |                              |                                    |
| Penalty                  | -                            | -                 | -   | -                            | - -                                |
| Punishment               | -                            | -                 | -   | -                            | - -                                |
| Compounding              | -                            | -                 | -   | -                            | - -                                |
| <b>C. OTHER OFFICERS</b> |                              |                   |   |                              |                                    |
| <b>IN DEFAULT</b>        |                              |                   |   |                              |                                    |
| Penalty                  | -                            | -                 | -   | -                            | - -                                |
| Punishment               | -                            | -                 | -   | -                            | - -                                |
| Compounding              | -                            | -                 | -   | -                            | - -                                |

Note:

There were no penalties/punishments/compounding of offenses for the year ended 31st March, 2019

**ANNEXURE “D” TO DIRECTORS’ REPORT**  
**ANNUAL REPORT ON CSR ACTIVITIES**

1. A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The CSR policy of the Company is available on the Company’s website [www.apollo.co.in](http://www.apollo.co.in). The focus areas for CSR activities will be Education, Healthcare and such other activities as CSR Committee or Board may consider to be appropriate.

2. The Composition of the CSR Committee :

The CSR Committee of the Company comprises of following directors.

- (1) Mr. Navinchandra V. Shah - Chairman  
(2) Mr. Anand A. Patel - Member  
(3) Mrs. Nayna A. Patel - Member

3. Average net profit of the company for last three financial years

Average net profit of the Company for last three financial years is Rs. 8,39,45,995/-.

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

CSR expenditure is Rs. 16,78,919/- (2% of Rs. 8,39,45,995/-)

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year : ₹ 16,78,919/-

(b) Amount unspent, if any; : ₹ 16,78,919/-

(c) Manner in which the amount spent during the financial year is detailed below

| Sr. No.                    | CSR project/ activity identified | Sector in which the Project is covered | Projects/ Programmes<br>1.Local area/other<br>2.Specify the state and district where project or programs was undertaken | Amount outlay (budget) project/ programs wise | Amount spent on the project/ programs Subheads:<br>1.Direct expenditure on project or programs<br>2.Overheads | Cumulative Expenditure upto to the reporting period. | Amount spent: Direct or through implementing agency |
|----------------------------|----------------------------------|--|---|---|---|--|---|
| As Detailed in Point No. 6 |                                  |  |   |   |   |  |   |

· Give details of implementing agency : Not applicable

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount :

In accordance with the provisions of Section 135 and Rules there under of the Companies act, 2013, the Company has constituted ‘Corporate Social Responsibility’ (CSR) Committee. The committee has initiated search to find the eligible projects during the year and identified the skill enhancement programs by Ganpat University. Company has entered into an agreement with Ganpat University for contributing towards their programs for Skill Enhancement for Youth. The identified area is skill development related to operating and maintaining construction equipment. The University has established an institute for skill enhancement.

The proposed programs are approved by The Centre of Entrepreneurship Development (A Government of Gujarat Organization) in their meeting held in December 2014. The overall support by the Company is likely to be Rs. 130 lacs over the period of time. This amount is to be spent as per ongoing needs of the institute and as approved by Institute Management Committee. Because of some pending government approvals, in spite of the willingness of the management to contribute during the year, there was no spending of the required amount. Further, it was decided by CSR committee to spend some amount towards other CSR activities and they are in process of identifying new areas to spend the amount of CSR liability which may occur in future.

## **GUJARAT APOLLO INDUSTRIES LIMITED**

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7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company

The CSR Committee confirms that CSR Committee is responsible for monitoring process of the CSR activities and the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board of Directors**

**Place : Ahmedabad**  
**Dated : 14<sup>th</sup> August, 2019**

**Asit A. Patel**  
**Managing**  
**Director**  
**DIN:00093332**

**Anand A. Patel**  
Member of  
CSR Committee  
**DIN:00002277**

**Navinchandra V. Shah**  
Chairman,  
CSR Committee

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**ANNEXURE “E” TO DIRECTORS’ REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Gujarat Apollo Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Apollo Industries Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (vi) There are no other laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## GUJARAT APOLLO INDUSTRIES LIMITED

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During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except in following cases:

1. Company has not filed form IEPF-4 regarding statement of shares to be transferred to the Investor Education and Protection Fund for the financial year 2017-18.
2. Company has made delay of more than 2 months in furnishing the consolidated financial results for the quarter / financial year ended on 31.03.2018 with the stock exchange(s).

We further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Place : Ahmedabad**  
**Date : 30<sup>th</sup> May, 2019**

**For, Ashish Shah & Associates**  
**Ashish Shah**  
**Company Secretary in practice**  
**FCS No. 5974**  
**C P No.: 4178**

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

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### Annexure-A

To,  
The Members,  
Gujarat Apollo Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place : Ahmedabad**  
**Date : 30<sup>th</sup> May, 2019**

**For, Ashish Shah & Associates**  
**Ashish Shah**  
**Company Secretary in practice**  
**FCS No. 5974**  
**C P No.: 4178**

## ANNEXURE “F” TO DIRECTORS’ REPORT

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm’s length basis

|     |   |      |
|-----|---|------|
| (a) | Name of the related party and nature of relationship  | NIL  |
| (b) | Nature of contracts/arrangements/ transactions  | NIL  |
| (c) | Duration of the contracts / arrangements/ transactions  | NIL  |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any                        | NIL  |
| (e) | Justification for entering into such contracts or arrangements or transactions                                    | NIL  |
| (f) | date(s) of approval by the Board  | NIL  |
| (g) | Amount paid as advances, if any   | NIL  |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | N.A. |

#### 2. Details of material contracts or arrangement or transactions at arm’s length basis:

|     |  |  |
|-----|--|--|
| (a) | Name of the related party and nature of relationship                                       | Ammann India Private Limited<br>Ammann India Private Limited is a Private Limited Company and of which Mr. Asit A. Patel and Mr. Anand Patel are directors. AEML Investments Limited (Formerly known as Apollo Earthmovers Limited), Wholly Owned subsidiary of GAIL also holds 30% stake in Ammann. In the year 2019-20, Company may re-enter into an agreement with Ammann India Private Limited, for supply of certain goods for a period of further 2 years. |
| (b) | Nature of contracts/arrangements/ transactions   | Supply Agreement   |
| (c) | Duration of the contracts / arrangements/ transactions                                     | 2 (Two) years till March, 2020   |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Supply of Assemblies, sub-assemblies, components & Spare parts for various equipment not exceeding Rs. 100 crores p.a.   |
| (e) | date(s) of approval by the Board   | 29.08.2017   |
| (f) | Amount paid as advances, if any  | NIL  |

**For and on behalf of the Board of Directors**

**Place : Ahmedabad**  
**Dated : 14<sup>th</sup> August, 2019**

**Asit A. Patel**  
**Managing Director**  
**DIN:00093332**

**Anand A. Patel**  
**Director**  
**DIN:00002277**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **The year that was**

FY 2018-19 witnessed a steady growth. The market sentiments were cautiously optimistic. Your Company achieved a moderate success during the year and managed to maintain its market share in the Crushing and Screening business.

Your Company, while focusing on the Crushing and screening equipment business, has initiated the process of identifying new products related to material handling. The diversification process takes cognizance of the company's core strength in engineering, R & D & manufacturing. The highlights of FY 2018-19, in brief are as follows.

### **Financials**

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

1. Total Revenue from operations of the Company is Rs. 2,983.16 Lakhs.
2. Profit Before exceptional items & Tax of the Company is Rs. 936.70 Lakhs.
3. Profit/Loss after Tax is Rs. 625.46 Lakhs.
4. Basic and Diluted Earnings per Share is Rs. 4.94.

### **Diversification**

Your company is also looking at other areas of diversification – special purpose machines for other sectors. Such diversification will support the growth and higher utilization of resources.

The management has and will always continue to strive in protecting the interests of all the stakeholders thereby 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 is always alive to the market conditions and with a combination of R&D, dedicated efforts and manufacturing expertise managed to obtain maximum mileage in a difficult environment. Taking cognizance of this difficult period, in the year under review, the Company relied on market money as well as on the internal accruals.

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 fastest developing countries. International companies are looking at India for growth. But for the trying economic conditions in many parts of the globe, India would have witnessed a far higher level of investments. Large global Corporations have plans to invest billions of dollars in several mega projects in India over the next few years which augur well for the growth in demand.

The Crushing & Screening market segment in India is a part of Mining Sector and is experiencing a challenging environment. Passing of the Mines and Minerals (Development and Regulation) (MMDR) Amendment Ordinance, 2015 is a significant step in revival of the hitherto stagnant mining sector in the country.

Your company through a combination of in house R & D, technology tie-up and excellent manufacturing practices, is confident of improving its market share in this segment.

### **MAIN FOCUS AREAS AND APPLICATIONS:**

The Company's major source of business is from mining and manufacturing sector and the growth of the company is therefore directly proportional to the growth in the mining and manufacturing segment. The Crushing & Screening equipment business has a wider market application and is not restricted to road construction alone.

### **OPPORTUNITIES, THREATS, RISKS AND CONCERNS:**

#### **Opportunities:-**

- Customers are looking for quality Crushing and Screening equipment at affordable prices and your company is in a position to fit well in this segment with its market reputation.

- With lower raw material costs, the overall cost of the equipment are lower as compared to Gulf and African countries, which helps to gain market share in national and international markets.
- Expansion of products: cone crushers, coal crushers and bucket crushers.

**Threats, Risks and Concerns:-**

- Global Financial market is volatile. With lower growth in international trade, the Indian economy is likely to remain challenged. This may result in foreign players exercising caution in the entry and investment in India as a whole and mining segment in particular.
- Competition will be severe as there are quite a few local players catering to the price sensitive customers with low prices. This will lead to price pressures and the Company may not be in a position to realize higher prices for its products and services.

**Outlook:**

The Company sees a moderate outlook in the coming years for Crushing and Screening business on its own. The addition of new products with proven technology will improve the top and bottom line of the company. With the existing cash balances, the Company can mobilize the funds and venture in diversified business activities outside of mining equipment business. With favorable Government policies, the overall market looks positive. With the Government committing itself to infrastructure in general and construction in particular, the demands for the Company's products are likely to see a good growth in the coming years.

**Internal Control Systems and their Adequacies:**

The Company maintains effective and adequate internal control systems. 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 eliminate waste.

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 standards. Your Company has qualified for BS OHSAS 18001:2007 certificate by TUV NORD for maintaining standards for Design, Manufacture, Installation and Servicing of crushing and screening plants.

**Human Resources:**

Your Company is 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 make self-appraisals.

**Comments on Financial Performance with respect to Operational Performance:**

During the Financial year under review, the Net Turnover of the Company has decreased to Rs. 2,983.16 lakhs as compared to Rs. 6,838.75 lakhs in the previous financial year mainly due to the end of supply agreement of some components. The profits of the Company have decreased as compared to the previous financial year due to reduced turnover and previous year having one-time other income. The Profit after Tax is at Rs. 625.46 lakhs in the current year as compared to Rs. 1,036.82 lakhs in the previous year. Due to competitive pressures and a stagnant market, the Company could not improve on the price realization as expected.

## GUJARAT APOLLO INDUSTRIES LIMITED

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### **Details of any change in Return on Net Worth as compared to immediately previous financial year along with detail explanation thereof.**

During the year under consideration there is reduction in the overall return on net worth after tax which is Rs 625.46 Lakhs as compared to Rs 1036.82 Lakhs in 2017-18. The main reason in decrease is due to the income on sale of investment of Rs 1231 Lakhs in 2017-18. However, apart of this there is better profitability from the regular business operation and expecting to improve further in the current year.

### **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.

## **REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement and clause 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Corporate Governance enhances stakeholders' value by focusing on long-term value creation without compromising on integrity, social obligations and regulatory compliances. 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, 3 (Three) Non – Executive Directors and 3 (Three) Independent Directors, making total strength of 7 (Seven). The Composition of Board is in Compliance with the provisions of Regulation 17 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013. 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 31<sup>st</sup> March, 2019 along with other related information is given in the table below:

| Name of the Director     | Designation       | Category                   | No. of outside Directorship held in other Indian public companies | No. of Member-ships/Chairman-ships of the other Board Committees | No. of Board meeting attended | Attendance at the last Annual General Meeting | No. of shares held | separately the names of the listed entities where the person is a director and the category of directorship |
|--------------------------|-------------------|----------------------------|---|--|-------------------------------|---|--------------------|---|
| Mr. Manibhai V. Patel    | Director          | Promoter Non- Executive    | 1   | 1  | 4                             | Yes   | 2,28,289           | NIL   |
| Mr. Asit A. Patel        | Managing Director | Executive Director         | 1   | NIL  | 4                             | Yes   | 5,000              | NIL   |
| Mr. Anand A. Patel       | Director          | Non-Executive Director     | 4   | 6  | 4                             | Yes   | 1,05,9000          | Dev Information Technology Limited – Independent Director   |
| Mr. Navinchandra V. Shah | Director          | Independent Non- Executive | 1   | 1  | 4                             | Yes   | 8,100              | NIL   |
| Mrs. Kapilaben A. Patel  | Director          | Independent Non- Executive | NIL   | NIL  | 4                             | No  | NIL                | NIL   |
| Mrs. Nayna A. Patel      | Director          | Non- Executive             | NIL   | NIL  | 4                             | Yes   | 27,100             | NIL   |
| Mr. Naman M. Patel       | Director          | Independent Non- Executive | 2   | NIL  | 4                             | No  | 5,000              | Hester BioSciences Limited – Independent Director   |

## GUJARAT APOLLO INDUSTRIES LIMITED

During the year 2018-2019, 4 (Four) Board meetings were held, details of which are given herein below:

| Date of the Board Meetings | 30.05.2018 | 11.08.2018 | 14.11.2018 | 13.02.2019 |
|----------------------------|------------|------------|------------|------------|
| No. of Directors present   | 07         | 07         | 07         | 07         |
| Board Strength             | 07         | 07         | 07         | 07         |

The time gap between any two meetings was less than 120 days.

Mr. Asit Patel and Mrs. Nayna Patel, being husband and wife are related to each other. Mr. Asit Patel and Mr. Anand Patel being brother are related to each other. None of the other directors are related to any other Director of the Company as defined under Companies Act, including rules thereof.

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.

### **Familiarization Programme of Independent Directors:**

The Company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in Company, nature of the Industry in which Company operates, the business model of the Company. The details of familiarization programme imparted to the Independent Directors are available on the web site of the Company at [www.apollo.co.in](http://www.apollo.co.in)

### **Board membership criteria:**

The Company inducts eminent individual from diverse fields as directors on its Board. The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/ areas relevant to the Company, and ability to contribute to the Company's growth.

### **COMMITTEES OF THE BOARD:**

The Committees of the Board are constituted as per the Companies Act, 2013 and Listing Regulations.

### **AUDIT COMMITTEE:**

The Audit Committee comprising of the following Directors, possessing adequate knowledge of Accounts, Finance etc. The composition of Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and rules framed thereunder and as per the Listing Regulations. The Board of Directors at its meeting held on 30<sup>th</sup> May, 2016 re-constituted the Audit Committee.

The terms of reference of the Audit Committee are as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes such other functions as may be assigned to it by the Board from time to time which briefly includes following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it is considered necessary.

The composition & Attendance at the Audit committee is as under:

| Name of the Director     | Designation | Category                            | No. of Meetings held | No. of Meetings Attended |
|--------------------------|-------------|-------------------------------------|----------------------|--------------------------|
| Mr. Navinchandra V. Shah | Chairman    | Independent Non- Executive Director | 4                    | 4                        |
| Mr. Asit A. Patel        | Member      | Managing Director                   | 4                    | 4                        |
| Mr. Naman Patel          | Member      | Independent Non- Executive Director | 4                    | 4                        |

During the year the committee held 4 (Four) meetings on 30.05.2018, 11.08.2018, 14.11.2018, 13.02.2019. The time gap between two meetings was not more than four months.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The terms of reference of Nomination and Remuneration Committee have been formulated in compliance with Section 178 of the Companies Act, 2013 and rules framed thereunder and as per the Listing Regulations. The Board of Directors at its meeting held on 13<sup>th</sup> February, 2019 re-constituted the Nomination and Remuneration Committee.

#### **Terms of reference:**

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

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
3. Formulate policy for remuneration to directors, key managerial personnel and senior management and others.

The Composition & Attendance at the Nomination and Remuneration committee is as under:

| <b>Name of the Director</b> | <b>Designation</b> | <b>Category</b>                     | <b>No. of Meetings held</b> | <b>No. of Meetings Attended</b> |
|-----------------------------|--------------------|-------------------------------------|-----------------------------|---------------------------------|
| Mrs. Kapilaben A. Patel     | Chairperson        | Independent Non- Executive Director | 4                           | 4                               |
| Mr. Navinchandra V. Shah    | Member             | Independent Non- Executive Director | 4                           | 4                               |
| Mr. Anand A. Patel          | Member             | Non- Executive Director             | 4                           | 4                               |

During the year the committee held 4 (Four) meetings on 30.05.2018, 11.08.2018, 14.11.2018, 13.02.2019

The Committee has adopted a formal system of evaluating Board performance as a whole and the contribution of each individual director. An evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice.

Each member of the Committee shall abstain from voting any resolutions in respect of the assessment of his performance or renomination as Director.

The results of the evaluation exercise were considered by the Committee which then makes recommendations to the Board aimed at helping the Board to discharge its duties more effectively.

The Directors' remuneration and sitting fees paid/payable in respect of the financial year 2019 are given below:-

#### **Remuneration to Managing Director :**

In view of no operating profits, Managing Director waived off his right of remuneration and did not claim the same.

#### **Remuneration to Non- Executive Directors:**

A Commission @ 1% on operating profit is payable to Mr. Manibhai V. Patel, the Non-Executive director of the Company. In lieu of the same no commission is payable for the year 2018-19.

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

All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report;

#### **Performance Evaluation criteria for Independent Directors:**

The performance evaluation criteria for independent directors are determined by Nomination and Remuneration committee. An indicative list of factors that may be evaluated including participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintaining confidentiality and independence of behavior and judgement.

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## **Remuneration policy:**

In determining the remuneration package of the M.D. under the provisions of Section 178 of the Companies Act, 2013, and Listing Regulations, 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 vis-a-vis Company performance.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee aims 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. The Board of Directors at its meeting held on 30<sup>th</sup> May, 2016 re constituted the Stakeholders' Relationship Committee.

The Composition & Attendance at the Stakeholders Relationship Committee is as under:

| Name of the Director     | Designation | Category                            | No. of Meetings held | No. of Meetings Attended |
|--------------------------|-------------|-------------------------------------|----------------------|--------------------------|
| Mr. Navinchandra V. Shah | Chairman    | Independent Non- Executive Director | 4                    | 4                        |
| Mr. Asit A. Patel        | Member      | Managing Director                   | 4                    | 4                        |
| Mrs. Nayna A. Patel      | Member      | Non- Executive Director             | 4                    | 4                        |

During the year the committee held 4 (Four) meetings on 30.05.2018, 11.08.2018, 14.11.2018, 13.02.2019.

## **Name, designation and address of Compliance Officer:**

Ms. Neha Chikani Shah  
Company Secretary & Compliance Officer  
Gujarat Apollo Industries Limited  
"Parishram", 5-B, Rashmi Society,  
Near Mithakhali Six Roads,  
Navrangpura, Ahmedabad- 380009  
Contact No: 079-26444597/98  
E-mail ID:cs@gapollo.net

During the year under review No complaints were received. There was one pending complaint at the beginning of the year which was resolved to the satisfaction of the Shareholders by the Company and Company's Registrar and Share Transfer Agent. The nature of the complaints is displayed as below:

| Nature of Complaints  | Received | Solved | Pending | number not solved to the satisfaction of shareholders |
|---|----------|--------|---------|---|
| Non-receipt of share certificates/<br>Refund / Demat /Dividends | 00       | 0      | 00      | 00  |
| Stock Exchange  | 00       | 00     | 00      | 00  |
| SEBI  | 00       | 00     | 00      | 00  |

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE):**

The terms of reference of CSR Committee have been formulated in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder and as per the Listing Regulations. The Board of Directors at its meeting held on 30<sup>th</sup> May, 2016 re constituted the Corporate Social Responsibility Committee.

## **Terms of reference:**

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

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company
2. Recommend the amount of expenditure to be incurred on the various CSR activities
3. Monitoring the CSR policies from time to time

The Composition & Attendance at the CSR Committee is as under:

| Name of the Director     | Designation | Category                            | No. of Meetings held | No. of Meetings Attended |
|--------------------------|-------------|-------------------------------------|----------------------|--------------------------|
| Mr. Navinchandra V. Shah | Chairman    | Independent Non- Executive Director | 4                    | 4                        |
| Mr. Anand A. Patel       | Member      | Non-Executive Director              | 4                    | 4                        |
| Mrs. Nayna A. Patel      | Member      | Non-Executive Director              | 4                    | 4                        |

During the year the committee held 4 (Four) meetings on 30.05.2018, 11.08.2018, 14.11.2018, 13.02.2019.

#### **RISK MANAGEMENT COMMITTEE:**

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management. The terms of reference of Risk management Committee have been formulated in compliance with the Companies Act, 2013 and rules framed thereunder and as per the Listing Regulations.

#### **Terms of reference:**

The terms of reference of Risk Management committee, inter alia consists of:

1. Principles and objectives inter alia includes assisting the Board in overseeing the Company's risk management process and controls, risk tolerance, capital liquidity etc. and its periodic review to the Board.
2. Periodically review the risk assessment and minimization procedures to ensure that Executive management controls risk through means of properly defined framework.
3. Review major risks and proposed action plan.

The Composition & Attendance of the Risk Management Committee is as under:

| Name of the Director     | Designation | Category                            | No. of Meetings held | No. of Meetings Attended |
|--------------------------|-------------|-------------------------------------|----------------------|--------------------------|
| Mr. Navinchandra V. Shah | Chairman    | Independent Non- Executive Director | 4                    | 4                        |
| Mr. Anand A. Patel       | Member      | Non-Executive Director              | 4                    | 4                        |
| Mr. Asit A. Patel        | Member      | Managing Director                   | 4                    | 4                        |

During the year the committee held 4 (Four) meetings on 30.05.2018, 11.08.2018, 14.11.2018, 13.02.2019

#### **MEETING OF INDEPENDENT DIRECTORS:**

Pursuant to Clause VII of Schedule IV of the Companies Act, 2013 read with Listing Regulations requires that the independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. Accordingly, the Meeting was being held inter-alia by all the Independent Directors, with a view to review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and to assess the quality, quantity and timeliness of flow of information between the company management and the Board.

During the year the committee held once on 14.11.2018.

#### **CODE OF CONDUCT:**

The Company has adopted a code of conduct for its directors and designated senior management personnel. All the Board members and senior management personnel have agreed to follow compliance of code of conduct.

#### **SCORES:**

The Company has enrolled itself for SEBI Complaints Redress System (SCORES), a centralized web based complaints redress system with 24x7 access. It allows online lodging of complaints at anytime from anywhere. An Automated email acknowledging the receipt of the complaint and allotting a unique complaint registration number is generated for future reference and tracking. The Company uploads an Action taken Report (ATR) so that the investor can view the status of the complaint online. All complaints are saved in the central database which generates relevant MIS reports to SEBI.

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## **GENERAL BODY MEETING:**

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

| AGM              | Date       | Time       | Venue                                       | No. of Special resolutions approved |
|------------------|------------|------------|---|-------------------------------------|
| 29 <sup>th</sup> | 28.09.2016 | 11.00 a.m. | Block No. 486, 487, 488,<br>Mouje Dholasan, | 1 (One) as listed below             |
| 30 <sup>th</sup> | 29.09.2017 | 11.00 a.m. |   | ---                                 |
| 31 <sup>st</sup> | 29.09.2018 | 4.00 pm    | Taluka & District Mehsana - 382732          | 1 (One) as listed below             |

No Extra Ordinary General Meeting held during the year.

Mention whether any special resolution passed last year through postal ballot

### **Special Resolution in 31<sup>st</sup> AGM:**

In AGM held on September 29, 2018, 1 (One) Special Resolution was passed as listed below:

- Reclassification of Promoter and promoter group

During the financial year 2017-18 no special resolution passed by way of Postal ballot. No special resolution is proposed to be passed at the ensuing Annual General Meeting by way of postal ballot.

### **Special Resolution in 29<sup>th</sup> AGM:**

In AGM held on September 28, 2016, 1 (One) Special Resolution was passed as listed below:

- To Disinvest from German based wholly owned subsidiary, Apollo Maschinenbau, GmbH

## **DISCLOSURES:**

- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulations (2) of Regulations 46 of SEBI Listing Regulations
- The report on Corporate Governance of the Company for the financial year 2018-19 is in compliance with the requirements of Corporate Governance Regulation 34(3) read with Part C of Schedule V of SEBI Listing Regulations, 2015.
- Besides the transactions mentioned elsewhere in the Annual Report, there were no other materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- 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.
- We have obtained a certificate from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- The Company has complied with all mandatory requirements laid down by the Regulations 27 of the Listing Obligations and Disclosure Requirements Regulations, 2015. The non mandatory requirements complied with wherever requires and same has been disclosed at the relevant places.
- Commodity price risk/foreign exchange risk and heading is not applicable to the Company.
- There were no circumstances where board had not accepted any recommendation of any committee of the board during the year.
- Total fees paid for the services to the statutory auditors is Rs. 5,50,000 p.a. (excluding Taxes)
- During the year under review, there were no complaint i.e. incidences of sexual harassment reported.
- There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

## **POLICIES**

### **Vigil Mechanism/ Whistle Blower Policy:**

The Company has in place a Whistle Blower Policy to deal with instances of fraud, unethical behavior, mismanagement. This would provide mechanism for Employees and other person dealing with the Company to report to the Chairman of the Audit Committee, of any instance of unethical behavior, actual or suspected fraud or violation of Company's code

of conduct. No person has been denied access to the Audit Committee in this regard. The Whistle Blower Policy of the Company has been disclosed on the website of the Company.

**Related Party Transactions Policy:**

There were no materially significant related party transactions except transaction(s) the details of which are disclosed in the explanatory statement annexed to the notice of the Annual General Meeting and will be placed before the shareholders for their approval by way of Ordinary Resolution. Related Party Transaction Policy has been formulated in order to regulate the transactions between Company and Related Parties. The Related Party Transaction Policy is available at the website of the Company and web link for the same is [http://apollo.co.in/PDF/Policy\\_on\\_Related\\_Parties.pdf](http://apollo.co.in/PDF/Policy_on_Related_Parties.pdf)

**Policy for Preservation of Documents:**

As required by Regulation 9 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the Board of Directors has approved the Policy for Preservation of Documents Policy and the same is available at the website of the Company.

**Policy for Determination of Materiality of Events and Information for Disclosure to the Stock Exchanges:**

As required by Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have approved the Policy for determining Material Information and is available at the website of the Company.

**Policy for determining Material Subsidiaries:**

The Company has formulated Policy for determining Material Subsidiaries and the same is available at the website of the Company and web link for the same is [http://apollo.co.in/PDF/Policy\\_for\\_Determination\\_of\\_Material\\_Subsiary.pdf](http://apollo.co.in/PDF/Policy_for_Determination_of_Material_Subsiary.pdf)

**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 - English and Gujarati Newspaper/s.

The Quarterly results are also updated on the Company's website [www.apollo.co.in](http://www.apollo.co.in).

Presentations made to institutional investors or to the analysts: NIL

**GENERAL SHAREHOLDERS' INFORMATION:**

|                           |   |  |
|---------------------------|---|--|
| Financial Year            | : | 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020. |
| Financial Calendar        |   |  |
| a) First Quarter Results  | : | by 14 <sup>th</sup> August, 2019                             |
| b) Second Quarter Results | : | by 14 <sup>th</sup> December, 2019                           |
| c) Third Quarter Results  | : | by 14 <sup>th</sup> February, 2020                           |
| d) Fourth Quarter Results | : | by 30 <sup>th</sup> May, 2020                                |

**Annual General meeting for the year 2018-19**

- Date : 27<sup>th</sup> September, 2019
- Day & Time : Friday, 11.00 A.M.
- Venue : Block No. 486, 487, 488, Mouje Dholasan, Taluka & District Mehsana, Mehsana- 382732

Date of Book Closure : 21<sup>st</sup> September, 2019 to 27<sup>th</sup> September, 2019 (Both Days inclusive)

Dividend Payment Date : The proposed dividend, if approved at the AGM, will be distributed within 30 days of its declaration.

Listing on stock exchange : BSE Limited

P.J. Towers, Dalal Street, Fort, Mumbai – 400 001

: National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

**Stock Code**

- BSE Limited : 522217
- National Stock Exchange Limited : GUJAPOLLO

## GUJARAT APOLLO INDUSTRIES LIMITED

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### Listing Fees :

The Annual listing fees for the Financial Year 2019-20 has been paid to BSE and NSE, where shares of the Company are listed.

### **MARKET PRICE DATA:**

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

(In `)

| PERIOD          | SHARE PRICE OF GAIL |        |
|-----------------|---------------------|--------|
|                 | HIGH                | LOW    |
| April, 2018     | 228.80              | 202.00 |
| May, 2018       | 243.00              | 195.00 |
| June, 2018      | 208.35              | 180.00 |
| July, 2018      | 199.00              | 183.00 |
| August, 2018    | 195.00              | 175.00 |
| September, 2018 | 197.00              | 141.65 |
| October, 2018   | 164.00              | 139.75 |
| November, 2018  | 183.55              | 148.00 |
| December, 2018  | 188.90              | 151.55 |
| January, 2019   | 170.40              | 152.40 |
| February, 2019  | 170.05              | 139.00 |
| March, 2019     | 165.75              | 139.40 |

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

(In `)

| PERIOD          | SHARE PRICE OF GAIL |        |
|-----------------|---------------------|--------|
|                 | HIGH                | LOW    |
| April, 2018     | 227.70              | 203.50 |
| May, 2018       | 202.50              | 195.35 |
| June, 2018      | 198.25              | 186.40 |
| July, 2018      | 190.05              | 187.30 |
| August, 2018    | 187.80              | 179.00 |
| September, 2018 | 168.85              | 147.00 |
| October, 2018   | 158.00              | 147.75 |
| November, 2018  | 163.70              | 161.95 |
| December, 2018  | 163.05              | 159.10 |
| January, 2019   | 170.00              | 156.25 |
| February, 2019  | 144.00              | 141.50 |
| March, 2019     | 147.90              | 142.55 |

The monthly close price of the Company's scrip on the BSE and NSE as compared to the monthly close BSE Sensex and Nifty during the year is summarized below:

(In `)

| PERIOD          | SHARE CLOSE PRICE OF GAIL |        | CLOSE PRICE |          |
|-----------------|---------------------------|--------|-------------|----------|
|                 | BSE                       | NSE    | S&P SENSEX  | NIFTY 50 |
| April, 2018     | 224.80                    | 224.70 | 35,160.36   | 10,739   |
| May, 2018       | 195.95                    | 195.90 | 35,322.38   | 10,736   |
| June, 2018      | 195.75                    | 194.10 | 35,423.48   | 10,714   |
| July, 2018      | 188.15                    | 189.10 | 37,606.58   | 11,357   |
| August, 2018    | 185.00                    | 183.75 | 38,645.07   | 11,681   |
| September, 2018 | 152.30                    | 151.70 | 36,227.14   | 10,930   |
| October, 2018   | 152.40                    | 150.00 | 34,442.05   | 10,387   |
| November, 2018  | 160.80                    | 163.45 | 36,194.30   | 10,877   |
| December, 2018  | 159.10                    | 159.95 | 36,068.33   | 10,863   |
| January, 2019   | 160.00                    | 157.60 | 36,256.69   | 10,831   |
| February, 2019  | 142.00                    | 141.90 | 35,867.44   | 10,793   |
| March, 2019     | 146.40                    | 147.20 | 38,672.91   | 10,793   |

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2019:**

| SHAREHOLDINGS | SHARE HOLDERS |               | TOTAL NO. OF SHARES |               |
|---------------|---------------|---------------|---------------------|---------------|
|               | NUMBERS       | % OF TOTAL    | SHARES              | % OF TOTAL    |
| 1- 500        | 6242          | 87.3985       | 956713              | 7.5558        |
| 501- 1000     | 404           | 5.6567        | 317453              | 2.5071        |
| 1001 – 2000   | 203           | 2.8423        | 299788              | 2.3676        |
| 2001- 3000    | 76            | 1.0641        | 192625              | 1.5213        |
| 3001- 4000    | 46            | 0.6441        | 161941              | 1.2790        |
| 4001 – 5000   | 32            | 0.4481        | 148726              | 1.1746        |
| 5001- 10000   | 57            | 0.7981        | 415387              | 3.2806        |
| 10000 & above | 82            | 1.1481        | 10169282            | 80.3140       |
| <b>TOTAL</b>  | <b>7142</b>   | <b>100.00</b> | <b>12661915</b>     | <b>100.00</b> |

**CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2019:**

| Category                                | No. of Shares   | % of Total Shares held |
|---|-----------------|------------------------|
| Promoters and persons acting in concert | 7148087         | 56.45                  |
| Mutual Funds                            | 0               | 0.00                   |
| Banks/FII's                             | 2187            | 0.01                   |
| Foreign Nationals                       | 177512          | 1.40                   |
| Bodies Corporate                        | 375494          | 2.97                   |
| Public                                  | 3187036         | 27.20                  |
| Others                                  | 1771599         | 11.97                  |
| <b>Total</b>                            | <b>12661915</b> | <b>100.00</b>          |

# GUJARAT APOLLO INDUSTRIES LIMITED

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## **REGISTRAR AND TRANSFER AGENTS:**

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. For transfer lodgment, delivery and correspondence related to Shares, Members are requested to do correspondence with the Company's Registrar and Share Transfer Agents – M/s Link Intime India Private Limited quoting their folio no. at the address appearing herein below:

### **Link Intime India Private Limited**

C-101, 247 Park,  
L.B.S. Marg,  
Vikhroli (W),  
Mumbai – 400083,  
Phone No. (022) 49186000,  
Fax No. (022) 49186060  
E-mail Address: rnt.helpdesk@linkintime.co.in

## **SHARE TRANSFER SYSTEM:**

Shares lodged for transfer at the Registrar's address are processed in due time, if the documents are clear in all respects. Subsequent to Circular No. CIR/MIRSD/8/2012 dated: July 5, 2012, issued by SEBI, the Board has issued Power of Attorney to Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., to approve transfer of shares.

## **Outstanding GDRs/ ADRs/ Warrants or any other convertible instruments and likely impact on equity:**

**There were no outstanding GDRs/ADRs/ Warrants or any convertible instruments as at 31st March, 2019.**

## **Commodity Price Risk/ Foreign Exchange Risk and Hedging:**

The Raw material for the Company is purchased in accordance with purchase guidelines of the Company. The overall prices of the raw material have been decreased and the Company purchases the same based on the existing orders. The Imports and exports are more or less neutral leading to minimum Foreign Exchange Risk. The Company does not undertake commodity hedging activities.

## **REPORT ON CORPORATE GOVERNANCE:**

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance. A Certificate from the Chartered Accountant on Corporate Governance is attached as annexure to the Report.

## **DEMATERIALIZATION OF SHARES:**

The Equity Shares of the Company are traded compulsorily in the dematerialized form. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL), whereby the shareholders have options to dematerialized their shares with either of the depository.

As on 31<sup>st</sup> March, 2019, shares comprising 97.96% of the Company's total Equity Share Capital have been dematerialized, status of which is as follows.

### **ISIN No.: INE826C01016**

| Particulars        | No. of shares   | % of total capital | No. of shareholders |
|--------------------|-----------------|--------------------|---------------------|
| NSDL               | 9357123         | 73.90              | 4122                |
| CDSL               | 3046189         | 24.06              | 2505                |
| Physical           | 258603          | 2.04               | 515                 |
| <b>GRAND TOTAL</b> | <b>12661915</b> | <b>100.00</b>      | <b>7142</b>         |

## **PLANT LOCATION:**

Block No. 486, 487, 488, Mouje Dholasan,  
Taluka & District Mehsana, Gujarat-382732

**ADDRESS FOR CORRESPONDENCE:**

The Company Secretary & Compliance Officer  
Gujarat Apollo Industries Limited  
"Parishram", 5-B, Rashmi Society,  
Near Mithakhali Six Roads,  
Navrangpura,  
Ahmedabad- 380009  
E-mail: cs@gapollo.net

**DECLARATION BY THE MANAGING DIRECTOR UNDER PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT:**

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel, as applicable to them, for the financial year ended 31<sup>st</sup> March, 2019.

**Disclosures with respect to demat suspense account/ unclaimed suspense account:**

- (1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable :
  - (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL;
  - (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: NIL;
  - (c) number of shareholders to whom shares were transferred from suspense account during the year: NIL;
  - (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL;
  - (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares : NIL.

**For Gujarat Apollo Industries Limited**

**ASIT A. PATEL**  
**Managing Director**  
**[DIN: 00093332]**

# GUJARAT APOLLO INDUSTRIES LIMITED

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## CEO/CFO CERTIFICATE

To,  
The Board of Directors,  
Gujarat Apollo Industries Ltd.  
Block No. 486, 487, 488, Mouje Dholasan, Taluka & District Mehsana,  
Gujarat-382732

We hereby certify that:

We have reviewed the financial statement and the cash flow statements for the year 2018-19 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**  
**[DIN:00093332]**

**Bharat Dave**  
**Chief Financial Officer**

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**INDEPENDENT AUDITOR'S CERTIFICATE CORPORATE GOVERNANCE**

To,  
The Members of  
Gujarat Apollo Industries Limited  
Mehsana

We have examined the Compliance of conditions of Corporate Governance Report by Gujarat Apollo Industries Limited ("the Company") for the year ended 31<sup>st</sup> March, 2019 as stipulated in Para E of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, applicable for the accounting year ended on 31<sup>st</sup> March, 2019. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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 SEBI Listing Regulations, 2015.

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.

Date : **14<sup>th</sup> August, 2019**  
Place : Ahmedabad

**For, DJNV & Co.**  
**FRN : 115145W**  
Chartered Accountants  
**CA Devang Doctor**  
Partner  
Membership No. **039833**

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
Gujarat Apollo Industries Limited

### **Report on the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the Standalone Ind As Financial Statement of **GUJARAT APOLLO INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind As Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit (including other comprehensive income), Changes in Equity and its Cash Flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind As Financial Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind As Financial Statement under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind As Financial Statement of the current period. These matters were addressed in the context of our audit of the Standalone Ind As Financial Statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the Standalone Ind As Financial Statement and our auditor's report thereon.

Our opinion on the Standalone Ind As Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Ind As Financial Statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind As Financial Statement that give a true and

fair view of the financial position, financial performance (including other comprehensive income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind As Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind As Financial Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind As Financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Ind As Financial Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## GUJARAT APOLLO INDUSTRIES LIMITED

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind As Financial Statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone Ind As Financial Statement comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2016.
  - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Company.

**For, DJNV & Co.**  
**Firm Regn. No. 115145W**  
Chartered Accountants

Date : 30/05/2019  
Place : Ahmedabad

**Devang Doctor**  
Partner  
M. No. 039833

## ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of **GUJARAT APOLLO INDUSTRIES LIMITED** for the year ended on 31<sup>st</sup> March, 2019 we report that:

- (i)
  - a. In our opinion and according to the information and explanation given to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. In our opinion, the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. According to information and explanations given by management, the title deed of immovable properties included in fixed assets is held in name of the company.
- (ii) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancy was noticed on physical verification of stocks by management as compared to book records.
- (iii)
  - (a) The company has granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, the granting of such loans is not prejudicial to the company interest.
  - (b) The principal and the interest amount are repayable on demand at the discretion of the company.
  - (c) In respect of the said loans there are no amounts which are overdue for more than ninety days.
- (iv) According to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 wherever applicable, in respect of loans, investments, guarantees and securities given by the company.
- (v) The company has not accepted any deposits from the public.
- (vi) The Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act and *prima facie* the prescribed cost records have been maintained. We have however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- (vii)
  - a. According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31<sup>st</sup> March 2019, for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there are no dues which have not been deposited by the company on account of disputes except for the following:

| Nature of Statute                               | Nature of Dispute | For the Year       | Amount ( ` )       | Authority                                      |
|---|-------------------|--------------------|--------------------|--|
| Central Sales Tax and Commercial Tax of Gujarat | Sales Tax         | 1997-1998          | 10.35 Lacs         | Second Appellate (Hyderabad)                   |
|   | Sales Tax         | 2005-2008          | 110.86 Lacs        | Commissioner (Appeals)                         |
|   | Sales Tax         | 2005-2006          | 47.45 Lacs         | Joint Commissioner (Appeals)                   |
|   | Sales Tax         | 2009-2010          | 34.29 Lacs         | Sales Tax Tribunal                             |
|   | Sales Tax         | 2010-2011          | 10.68 Lacs         | Joint Commissioner (Appeals)                   |
|   | Sales Tax         | 2013-14            | 0.77 Lacs          | Appeals  |
| Service Tax Act                                 | Service Tax       | 2005 -2010         | 5.35 Lacs          | Custom Excise & Service Tax Appellate Tribunal |
| TDS   | TDS               | 2007-08 to 2012-13 | 13.74 Lacs         | TDS CPC  |
| Total   |                   |                    | <b>233.49 Lacs</b> |  |

## GUJARAT APOLLO INDUSTRIES LIMITED

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- (viii) In our opinion and according to the management, the company has not defaulted in repayment of dues to banks. The Company has neither issued any debentures nor availed any loan from institutions or government.
- (ix) The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly the provision of Clause 3(ix) of the order is not applicable to the company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remunerations has been paid or provided in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our Opinion, the company is not a Nidhi Company. Therefore, the provisions of paragraph 3, clause (xii) of the Order are not applicable to the company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and overall examination of the Balance Sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company.

**For, DJNV & Co.**  
**Firm Regn. No. 115145W**  
Chartered Accountants

Date : 30/05/2019  
Place : Ahmedabad

**Devang Doctor**  
**Partner**  
**M. No. 039833**

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## ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT

Report of even date on Standalone Ind AS financial statements of Gujarat Apollo Industries Limited- 31<sup>st</sup> March, 2019.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Gujarat Apollo Industries Limited (“the Company”) as on 31<sup>st</sup> March, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls:**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility:**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting:**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

## GUJARAT APOLLO INDUSTRIES LIMITED

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- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion:**

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, DJNV & Co.**  
**Firm Regn. No. 115145W**  
Chartered Accountants

Date : 30/05/2019  
Place : Ahmedabad

**Devang Doctor**  
**Partner**  
**M. No. 039833**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(Amount in `)

| Particulars   | Notes | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
|---|-------|---------------------------|---------------------------|
| <b>ASSETS</b>   |       |                           |                           |
| <b>Non-Current Assets</b>                             |       |                           |                           |
| Property, Plant and Equipment                         | 2     | 35,23,17,318              | 36,86,21,046              |
| Capital Work in Progress                              | 3     | -                         | 22,49,683                 |
| Investment Property                                   | 4     | 1,89,84,695               | 1,67,75,201               |
| Intangible Assets                                     | 2     | 53,57,183                 | 69,42,034                 |
| Investment in Subsidiary, Associate and Joint Venture | 5     | 58,55,91,087              | 58,55,91,087              |
| Financial Assets                                      |       |                           |                           |
| Other Financial Assets                                | 6     | 53,83,297                 | 57,62,128                 |
| <b>Total Non-Current Assets</b>                       |       | <b>96,76,33,580</b>       | <b>98,59,41,179</b>       |
| <b>Current Assets</b>                                 |       |                           |                           |
| Inventories   | 7     | 20,21,33,700              | 22,47,53,131              |
| Financial Assets                                      |       |                           |                           |
| Investments   | 8     | 1,14,22,323               | 1,88,20,719               |
| Loans & Advances                                      | 9     | 1,39,50,44,954            | 1,33,62,69,231            |
| Trade Receivables                                     | 10    | 9,86,38,449               | 6,63,22,735               |
| Cash and Cash Equivalents                             | 11    | 24,65,350                 | 49,70,963                 |
| Other Bank Balances                                   | 11    | 5,51,00,951               | 5,49,91,497               |
| Current Tax Assets (net)                              | 9A    | 1,23,04,042               | 94,46,073                 |
| Other Current Assets                                  | 12    | 34,98,997                 | 59,98,876                 |
| <b>Total Current Assets</b>                           |       | <b>1,78,06,08,766</b>     | <b>1,72,15,73,225</b>     |
| <b>TOTAL ASSETS</b>                                   |       | <b>2,74,82,42,346</b>     | <b>2,70,75,14,404</b>     |
| <b>EQUITY AND LIABILITIES</b>                         |       |                           |                           |
| <b>Equity</b>   |       |                           |                           |
| Equity Share Capital                                  | 13    | 12,66,19,150              | 12,66,19,150              |
| Other Equity  | 14    | 2,39,29,73,899            | 2,40,59,23,507            |
| <b>Total Equity</b>                                   |       | <b>2,51,95,93,049</b>     | <b>2,53,25,42,657</b>     |
| <b>Liabilities</b>                                    |       |                           |                           |
| <b>Non-Current Liabilities</b>                        |       |                           |                           |
| Deferred Tax Liabilities (Net)                        | 15    | 2,98,00,770               | 3,82,07,617               |
| <b>Total Non-Current Liabilities</b>                  |       | <b>2,98,00,770</b>        | <b>3,82,07,617</b>        |
| <b>Current Liabilities</b>                            |       |                           |                           |
| Financial Liabilities                                 |       |                           |                           |
| Borrowings  | 17    | 12,27,96,990              | 9,53,00,583               |
| Trade Payables  |       |                           |                           |
| Dues of MSME  | 18    | 1,55,87,950               | -                         |
| Dues of other than MSME                               | 18    | 4,27,16,542               | 3,38,28,734               |
| Net Employee Benefit Liabilities                      | 16    | 11,75,061                 | 21,74,397                 |
| Other Current Liabilities                             | 19    | 1,65,71,984               | 54,60,416                 |
| <b>Total Current Liabilities</b>                      |       | <b>19,88,48,527</b>       | <b>13,67,64,130</b>       |
| <b>Total Liabilities</b>                              |       | <b>22,86,49,297</b>       | <b>17,49,71,747</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   |       | <b>2,74,82,42,346</b>     | <b>2,70,75,14,404</b>     |

Significant Accounting Policies

1

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

**For, DJNV & Co.**

 Chartered Accountants  
 FRN : 115145W

**Devang Doctor**  
 Partner  
 Membership No. 039833

**Neha Chikani Shah**  
 Company Secretary  
 Mem. No.A25420

 Place : Ahmedabad  
 Date : 30.05.2019

**Bharat Dave**  
 Chief Financial Officer

**For and on behalf of Board of Directors  
 Gujarat Apollo Industries Limited**
**Navinchandra V. Shah** **Asit A. Patel**  
 Director Managing Director  
 DIN : 03027647 DIN : 00093332

 Place : Ahmedabad  
 Date : 30.05.2019

# GUJARAT APOLLO INDUSTRIES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

| Particulars   | Notes | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|---|-------|--|--|
| <b>INCOME</b>   |       |  |  |
| Revenue from Operations   | 20    | 29,83,15,567   | 68,38,74,505   |
| Other Income  | 21    | 4,21,77,076  | 16,28,02,840   |
| Finance Income  | 22    | 12,18,48,047   | 12,11,08,057   |
| <b>Total Income</b>   |       | <b>46,23,40,690</b>  | <b>96,77,85,402</b>  |
| <b>EXPENSES</b>   |       |  |  |
| Cost of Material Consumed   | 23    | 19,35,02,984   | 56,32,39,147   |
| Changes in Inventories  | 24    | 2,69,12,305  | (53,12,059)  |
| Employee Benefits Expenses  | 25    | 3,56,37,881  | 5,59,40,327  |
| Finance Costs   | 26    | 1,15,40,577  | 1,50,74,403  |
| Depreciation & Amortization Expenses  | 2     | 2,32,76,263  | 2,40,22,156  |
| Other Expenses  | 27    | 7,78,00,965  | 15,08,45,902   |
| <b>Total Expenses</b>   |       | <b>36,86,70,975</b>  | <b>80,38,09,876</b>  |
| <b>Profit Before Exceptional Items and Tax</b>  |       | <b>9,36,69,715</b>   | <b>16,39,75,526</b>  |
| Exceptional Item  |       | (3,17,50,000)  | -  |
| <b>Profit Before Tax</b>  |       | <b>6,19,19,715</b>   | <b>16,39,75,526</b>  |
| <b>Tax Expense</b>  |       |  |  |
| Current Tax   |       | 77,81,000  | 2,51,26,052  |
| Deferred Tax  | 29    | (84,06,847)  | 3,50,50,953  |
| MAT Credit Entitlement  |       | -  | 1,16,155   |
| <b>Profit After Tax for the Period</b>  |       | <b>6,25,45,562</b>   | <b>10,36,82,366</b>  |
| <b>Other Comprehensive Income</b>   |       |  |  |
| (i) Items that will not be reclassified to Profit or Loss                                   |       |  |  |
| Changes in fair value of FVTOCI Equity Instruments  |       | (56,84,529)  | (12,03,36,517)   |
| Remeasurement of Post-Employment Benefit Obligations  |       | -  | 1,70,113   |
| (ii) Income tax relating to these items   |       |  |  |
|   |       | -  | -  |
| <b>Other Comprehensive Income for the Period (Net of Tax)</b>                               |       | <b>(56,84,529)</b>   | <b>(12,01,66,404)</b>                                      |
| <b>Total Comprehensive Income for the Period</b>  |       | <b>5,68,61,033</b>   | <b>(1,64,84,038)</b>                                       |
| <b>Earning Per Equity Share (EPS) for Profit for the Period<br/>(Face Value of Rs.10/-)</b> |       |  |  |
|   | 28    |  |  |
| Basic (Rs.)   |       | 4.94   | 8.19   |
| Diluted (Rs.)   |       | 4.94   | 7.98   |
| Significant Accounting Policies   | 1     |  |  |
| The accompanying Notes are Integral Part of the Financial Statements.                       |       |  |  |

As per our Report of even date attached

**For, DJNV & Co.**

Chartered Accountants

FRN : 115145W

**Devang Doctor**

Partner

Membership No. 039833

Place : Ahmedabad

Date : 30.05.2019

**Neha Chikani Shah**

Company Secretary

Mem. No.A25420

**Bharat Dave**  
Chief Financial Officer

**For and on behalf of Board of Directors  
Gujarat Apollo Industries Limited**

**Navinchandra V. Shah**

Director

DIN : 03027647

Place : Ahmedabad

Date : 30.05.2019

**Asit A. Patel**

Managing Director

DIN : 00093332

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

| Particulars  | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|--|--|--|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                       |  |  |
| <b>Net Profit Before Tax as per Statement of Profit and Loss</b> | 6,19,19,715  | 16,39,75,526   |
| <b>Adjustments for:</b>  |  |  |
| Depreciation, Amortisation, Depletion & Impairment               | 2,32,76,263  | 2,40,22,156  |
| Bad Debts Written Off  | 24,47,976  | 1,99,79,900  |
| Finance Cost   | 1,15,40,577  | 1,50,74,403  |
| Other Comprehensive Income                                       | (58,54,642)  | (12,01,66,404)   |
| Dividend Income  | (3,78,00,000)  | (3,34,16,463)  |
| Interest from Inter Corporate Deposit                            | (12,18,48,047)   | (12,11,08,059)   |
| (Profit) / Loss on Sale of Investments                           | -  | (12,31,01,088)   |
| (Profit) / Loss on Sale of Assets                                | 57,278   | 10,31,742  |
| (Net Gain) / Loss on Foreign Currency Translation                | (6,03,519)   | (10,91,725)  |
| <b>Operating Profit Before Working Capital Changes</b>           | <b>(6,68,64,400)</b>                                       | <b>(17,48,00,011)</b>                                      |
| <b>Adjustments for Changes in Working Capital</b>                |  |  |
| Inventories  | 2,26,19,431  | 2,90,96,051  |
| Trade Receivables  | (3,47,63,690)  | (16,76,626)  |
| Other Current Assets / Tax Assets                                | (3,58,090)   | 81,34,520  |
| Other Current Liabilities  | 1,11,11,568  | (3,40,42,689)  |
| Trade Payables   | 2,44,75,758  | (5,12,93,543)  |
| Net Employee Benefit Liabilities                                 | (9,99,336)   | (16,14,323)  |
| Other Bank Balances  | (1,09,454)   | 23,02,240  |
| <b>Cash Generated from Operations</b>                            | <b>(4,48,88,212)</b>                                       | <b>(22,38,94,382)</b>                                      |
| Taxes (Paid)/ Refund   | 77,81,000  | 2,51,26,052  |
| <b>Net Cash Flow from Operating Activities (A)</b>               | <b>(5,26,69,212)</b>                                       | <b>(24,90,20,434)</b>                                      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                       |  |  |
| Purchase of Assets / CWIP including Joint Ventures (Net)         | (5,85,973)   | (22,49,683)  |
| Purchase of Fixed Assets   | (48,93,795)  | (54,83,674)  |
| Sale of Fixed Assets   | 75,000   | -  |
| Investment in Subsidiary, Associate and Joint Venture            | -  | 4,58,11,518  |
| Investment in Mutual Funds                                       | 73,98,396  | 60,04,05,770   |
| Loans & Advances   | (5,87,75,723)  | (7,17,91,794)  |
| (Net Gain) / Loss on Foreign Currency Translation                | 6,03,519   | 10,91,725  |
| Dividend Income  | 3,78,00,000  | 3,34,16,463  |
| Interest from Inter Corporate Deposit                            | 12,18,48,047   | 12,11,08,057   |
| Other Financial Assets   | 3,78,831   | 18,05,842  |
| <b>Net Cash Flow from Investing Activities (B)</b>               | <b>10,38,48,302</b>  | <b>72,41,14,224</b>  |

## GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars   | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|---|--|--|
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                              |  |  |
| Proceed / (Buyback) Equity Share  | -  | (99,80,850)  |
| Finance Costs   | (1,15,40,577)  | (1,50,74,403)  |
| Borrowings  | 2,74,96,407  | (29,66,58,654)   |
| Dividend Paid and Tax thereon   | (6,96,40,533)  | (31,911)   |
| Premium Paid on Buyback of Share  | -  | (16,92,01,973)   |
| <b>Net Cash Flow from Financing Activities (C)</b>                      | <b>(5,36,84,703)</b>                                       | <b>(49,09,47,790)</b>                                      |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (D) (A+B+C)</b> | <b>(25,05,613)</b>   | <b>(1,58,54,000)</b>                                       |
| <b>Cash and Cash Equivalents at the Beginning of the Year</b>           |  |  |
| Cash on Hand  | 2,46,557   | 1,32,183   |
| FDR with HDFC Bank  | -  | 1,98,00,000  |
| Bank Balances   | 47,24,406  | 8,92,780   |
|   | <b>49,70,963</b>   | <b>2,08,24,962</b>   |
| <b>Cash and Cash Equivalents at the End of the Year</b>                 |  |  |
| Cash on Hand  | 3,73,172   | 2,46,557   |
| FDR with HDFC Bank  | -  | -  |
| Bank Balances   | 20,92,178  | 47,24,406  |
|   | <b>24,65,350</b>   | <b>49,70,963</b>   |

As per our Report of even date attached

**For, DJNV & Co.**

Chartered Accountants  
FRN : 115145W

**Devang Doctor**  
Partner  
Membership No. 039833

Place : Ahmedabad  
Date : 30.05.2019

**Neha Chikani Shah**  
Company Secretary  
Mem. No. A25420

**Bharat Dave**  
Chief Financial Officer

**For and on behalf of Board of Directors  
Gujarat Apollo Industries Limited**

**Navinchandra V. Shah** **Asit A. Patel**  
Director **Managing Director**  
DIN : 03027647 **DIN : 00093332**

Place : Ahmedabad  
Date : 30.05.2019

**STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH, 2019**
**A. Equity Share Capital**

| Particulars   | No. of Shares      | Amount              |
|---|--------------------|---------------------|
| <b>Issued, Subscribed and Paid up Share Capital</b> |                    |                     |
| Equity Shares of Rs. 10/- each fully Paid up        |                    |                     |
| <b>As at 1st April, 2017</b>                        | <b>1,36,60,000</b> | <b>13,66,00,000</b> |
| Equity Shares issued during the year                | (9,98,085)         | (99,80,850)         |
| <b>As at 31st March, 2018</b>                       | <b>1,26,61,915</b> | <b>12,66,19,150</b> |
| Changes in Equity Share Capital                     | -                  | -                   |
| <b>As at 31st March, 2019</b>                       | <b>1,26,61,915</b> | <b>12,66,19,150</b> |

**B. Other Equity**

| Particulars  | Reserves & Surplus         |                       |                       | Other Comprehensive Income | Total Equity          |
|--|----------------------------|-----------------------|-----------------------|----------------------------|-----------------------|
|  | Capital Redemption Reserve | General Reserve       | Retained Earnings     |                            |                       |
| <b>Balance at April 1<sup>st</sup>, 2017</b>                     | <b>2,91,50,000</b>         | <b>1,59,49,69,624</b> | <b>84,20,04,616</b>   | <b>12,55,17,910</b>        | <b>2,59,16,41,431</b> |
| Changes in accounting policy/<br>prior period errors             | -                          | -                     | -                     | -                          | -                     |
| <b>Restated balance at the Beginning of the Reporting Period</b> | <b>2,91,50,000</b>         | <b>1,59,49,69,624</b> | <b>84,20,04,616</b>   | <b>12,55,17,910</b>        | <b>2,59,16,41,431</b> |
| Profit for the year  | -                          | -                     | 10,36,82,366          | -                          | 10,36,82,366          |
| Other comprehensive income for the year                          | -                          | -                     | -                     | (12,01,66,404)             | (12,01,66,404)        |
| <b>Total comprehensive income for the year</b>                   | <b>2,91,50,000</b>         | <b>1,59,49,69,624</b> | <b>94,56,86,983</b>   | <b>53,50,787</b>           | <b>2,57,51,57,393</b> |
| Issue of Equity Shares   | -                          | -                     | -                     | -                          | -                     |
| <b>Utilisation during the Year</b>                               |                            |                       |                       |                            |                       |
| Transfer During the year   | 99,80,850                  | (99,80,850)           | -                     | -                          | -                     |
| Buy Back Of Shares   | -                          | 99,80,850             | -                     | -                          | 99,80,850             |
| Premium Paid On Buyback of Share                                 | -                          | (17,91,82,823)        | -                     | -                          | (17,91,82,823)        |
| Proposed Dividend  | -                          | -                     | -                     | -                          | -                     |
| Tax On Proposed Dividend   | -                          | -                     | (31,911)              | -                          | (31,911)              |
| Any Other Change   | -                          | -                     | -                     | -                          | -                     |
| <b>Balance at March 31<sup>st</sup>, 2018</b>                    | <b>3,91,30,850</b>         | <b>1,41,57,86,801</b> | <b>94,56,55,072</b>   | <b>53,50,787</b>           | <b>2,40,59,23,507</b> |
| Changes in accounting policy /<br>prior period errors            | -                          | -                     | -                     | -                          | -                     |
| <b>Restated balance at the beginning of the reporting period</b> | <b>3,91,30,850</b>         | <b>1,41,57,86,801</b> | <b>94,56,55,072</b>   | <b>53,50,787</b>           | <b>2,40,59,23,507</b> |
| Profit for the Year  | -                          | -                     | 6,25,45,562           | -                          | 6,25,45,562           |
| Other Comprehensive Income for the Year                          | -                          | -                     | -                     | (58,54,642)                | (58,54,642)           |
| <b>Total Comprehensive Income for the Year</b>                   | <b>3,91,30,850</b>         | <b>1,41,57,86,801</b> | <b>1,00,82,00,633</b> | <b>(5,03,855)</b>          | <b>2,46,26,14,430</b> |
| Issue of Equity Shares   | -                          | -                     | -                     | -                          | -                     |
| <b>Utilisation during the Year</b>                               |                            |                       |                       |                            |                       |
| Transfer During the year   | -                          | -                     | -                     | -                          | -                     |
| Buy Back Of Shares   | -                          | -                     | -                     | -                          | -                     |
| Premium Paid On Buyback of Share                                 | -                          | -                     | -                     | -                          | -                     |
| Dividend Paid  | -                          | -                     | (6,96,40,533)         | -                          | (6,96,40,533)         |
| Tax On Proposed Dividend   | -                          | -                     | -                     | -                          | -                     |
| Any Other Change   | -                          | -                     | -                     | -                          | -                     |
| <b>Balance at March 31<sup>st</sup>, 2019</b>                    | <b>3,91,30,850</b>         | <b>1,41,57,86,801</b> | <b>93,85,60,103</b>   | <b>(5,03,855)</b>          | <b>2,39,29,73,899</b> |

# GUJARAT APOLLO INDUSTRIES LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

### Note 1 Statement of Significant Accounting Policies and Practices

#### A. General Information

Gujarat Apollo Industries Limited (APOLLO) was incorporated as a joint venture between Apollo Earthmovers Pvt Ltd and Gujarat Industrial Investment Corporation Limited (GIIC) on 7th October, 1986. The original name - Gujarat Apollo Equipments Limited was changed to Gujarat Apollo Industries Limited with effect from 28th November, 2006. Your company is primarily engaged in the manufacturing of different types of Mining & Road Construction and Maintenance Machineries catering to the needs of the majority of the mining companies in India and many parts of the world. Your company has consistently offered of latest technology products. 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.

#### B. Significant Accounting policies

##### B.1. Statement of Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

##### B.2. Basis of accounting

The company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS. The carrying value of all the items of property, plant and equipment and investment property as on date of transition is considered as the deemed cost. Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

##### B.3. Presentation of Financial Statements

The Balance Sheet and Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

#### C. Borrowing costs

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset until such time the assets are substantially ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### D. Property, Plant and Equipment (PPE)

##### i. Recognition and Measurement

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

**ii. Subsequent Expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii. Depreciation/Amortisation**

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the company for similar assets.

Freehold land is not depreciated.

**iv. Derecognition**

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

**E. Intangible assets**

**i. Initial Recognition and Classification**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

**ii. Subsequent Expenditure**

subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

**iii. Amortisation**

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life is are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

**iv. Derecognition**

An item of an intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

### F. Impairment of assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, Intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a company of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or companies of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### G. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

#### Lease accounting

##### *As a lessee*

##### *Finance lease*

At the commencement of the lease term, the Company recognizes finance leases as assets and liabilities in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. The discount rate used in calculating the present value is the interest rate implicit in the lease or the Company's incremental borrowing rate. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

##### *Operating lease*

Lease payments under an operating lease are recognized as an expenses on a straight-line basis over the lease term unless either:

- A. another systematic basis is more representative of the time pattern of the user's benefit; or
- B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

##### *As a lessor*

##### *Finance lease*

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### ***Operating lease***

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognized in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- A. another systematic basis is more representative of the time pattern of the user's benefit; or
- B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## **H. Use of Estimates and Judgements**

The preparation of Financial Statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

## **I. Financial Instruments**

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. In case of interest free or concession loans given to subsidiary companies, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

### **Financial Assets**

#### ***Classification***

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets as follows:

1. Investments in debt Instruments that are designated as fair value through profit or loss (FVTPL) - at fair value.
2. Other investments in debt instruments – at amortised cost, subject to following conditions:
  - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash Flows and
  - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
3. Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (unless the same are designated as fair value through profit or loss)
  - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
  - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
4. Investment in equity instruments issued by subsidiary, associates and joint ventures are measured at cost less impairment.
5. Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.
6. Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held

for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

### **Initial measurement**

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

### **Subsequent measurement**

#### - Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.

#### - Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

For financial assets that are measured at FVTOCI, income by way of interest, dividend and exchange difference (on debt instrument) is recognised in profit or loss and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity. On disposal of debt instruments measured at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments measured at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

### **Derecognition**

A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the company has transferred substantially all the risks and rewards of the asset, or b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

### **Impairment of financial assets**

The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

## **Financial Liabilities**

### **i) Classification, Subsequent Measurement and Gains and Losses**

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method

### **Derecognition**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified

terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

**J. Offsetting financial instruments**

The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

**K. Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

| ITEMS                                     | MEASUREMENT BASIS   |
|---|---|
| 1) Investments in Mutual Funds            | Fair value  |
| 2) Employee Defined Benefit Plans         | Plan Assets measured at fair value less present value of defined benefit obligation |
| 3) Certain Financial Assets & Liabilities | Fair value  |

**L. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress is valued at actual cost of production.

Cost of raw materials, stores and spares are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis. Excess/shortages if any, arising on physical verification are absorbed in the respective consumption accounts. Finished Goods is determined on full absorption cost basis.

**M. Employee benefits**

**i. Short term employee benefit obligations**

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

**ii. Other long term employee benefit obligations**

The obligation for long term employee benefits such as long term compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the company and is recognised in a similar manner as in the case of defined benefit plans.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, remeasurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognised in the Statement of Profit and Loss under finance cost.

**iii. Post-employment obligations**

**(A) Defined Contribution Plan:**

The company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

**(B) Defined Benefit Plan:**

## ***Gratuity obligations***

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.

## ***Leave encashment***

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.

## ***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.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (wherever applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit employee costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised in profit or loss when such settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

## ***iv. Termination Benefits***

Termination benefits such as compensation under employee separation schemes are recognised as expense when the company's offer of the termination benefit is accepted or when the company recognises the related restructuring costs whichever is earlier.

## **N. Foreign currency transactions**

The functional currency and presentation currency of the company is Indian Rupee.

Transactions in foreign currencies are translated into the functional currency of the Company at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction. Transactions in currencies other than the company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise except for:

- A.** exchange differences on foreign currency borrowings relating to assets under construction for future

productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

- B.** exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Financial statements of foreign operations whose functional currency is different than Indian Rupee are translated into Indian Rupees as follows:

- A.** assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- B.** income and expenses for each income statement are translated at average exchange rates; and
- C.** all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

**O. Revenue from Contract With Customer**

Ind AS 115 was issued on 28 March, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The company elected to apply the standard to all contracts as at 1 April, 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

**(A) Sale of Goods**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The normal credit term is 1 to 180 days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

**(B) Rendering of Services**

Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/arrangements with the concerned parties.

**(C) Other Income**

Export entitlements (arising out of Duty Drawback, Merchandise Export from India) are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Operating revenues of subsidiaries are considered to be operating revenues in the consolidated financial statements.

**P. Taxation**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**Income tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted

by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **Deferred taxes**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

### **Q. Provisions, contingent liabilities and contingent assets**

Provisions are recognised only when:

- a) the company has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- b) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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

### **R. Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

### **S. Statement of Cash Flows**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

**GUJARAT APOLLO INDUSTRIES LIMITED**

**Note : 2 Property, Plant & Equipment**

| Particulars                       | GROSS BLOCK          |                          |                      | ACCUMULATED DEPRECIATION |                      |                           |                      | NET BLOCK             |                       |
|-----------------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|---------------------------|----------------------|-----------------------|-----------------------|
|                                   | As at 1st April 2018 | Addition during the year | Disposal/ Adjustment | As at 31st March 2019    | As at 1st April 2018 | Depreciation For the year | Disposal/ Adjustment | As at 31st March 2019 | As at 31st March 2018 |
| Land                              | 13,58,62,750         | -                        | -                    | 13,58,62,750             | -                    | -                         | -                    | 13,58,62,750          | 13,58,62,750          |
| Building                          | 6,60,55,088          | -                        | -                    | 6,60,55,088              | 70,54,540            | -                         | -                    | 91,45,494             | 5,69,09,594           |
| Plant & Machinery                 | 22,45,82,317         | 32,48,904                | -                    | 22,78,31,221             | 9,39,54,723          | 1,44,35,120               | -                    | 10,83,89,843          | 11,94,41,377          |
| Office Equipment                  | 1,09,32,006          | 45,313                   | 1,38,190             | 1,08,39,128              | 86,50,934            | 5,43,942                  | -                    | 91,94,876             | 16,44,252             |
| Office Premises                   | 2,67,31,063          | 1,77,500                 | -                    | 2,69,08,563              | 17,84,267            | 4,24,010                  | -                    | 22,08,277             | 2,47,00,286           |
| Furniture & Fixture               | 1,56,64,666          | -                        | 1,18,752             | 1,55,45,914              | 52,32,982            | 13,43,082                 | 37,467               | 65,38,597             | 90,07,317             |
| Computer & Data                   | 1,96,965             | 5,65,283                 | -                    | 7,62,248                 | 78,087               | 3,57,939                  | 87,197               | 3,48,829              | 4,13,419              |
| Processing Equipments             | 49,94,180            | -                        | -                    | 49,94,180                | 24,33,783            | 6,05,092                  | -                    | 30,38,875             | 19,55,305             |
| Vehicles                          | 41,78,107            | -                        | -                    | 41,78,107                | 13,86,780            | 4,08,311                  | -                    | 17,95,091             | 23,83,016             |
| Electrical Installation           | 48,91,97,142         | 40,36,999                | 2,56,942             | 49,29,77,199             | 12,05,76,096         | 2,02,08,450               | 1,24,664             | 14,06,59,882          | 35,23,17,318          |
| <b>TOTAL</b>                      |                      |                          |                      |                          |                      |                           |                      |                       |                       |
| <b>Note : 2 Intangible Assets</b> |                      |                          |                      |                          |                      |                           |                      |                       |                       |
| Capitalized Software              | 57,15,995            | 8,56,800                 | -                    | 65,72,795                | 42,46,031            | 5,18,285                  | -                    | 47,64,316             | 18,08,479             |
| Technical Knowhow                 | 2,66,77,636          | -                        | -                    | 2,66,77,636              | 2,28,20,202          | 14,26,450                 | -                    | 2,42,46,652           | 24,30,984             |
| Goodwill on JV with STPL          | 19,87,663            | -                        | -                    | 19,87,663                | 3,73,027             | 4,96,916                  | -                    | 8,69,943              | 11,17,720             |
| <b>TOTAL</b>                      | <b>3,43,81,294</b>   | <b>8,56,800</b>          | -                    | <b>3,52,38,094</b>       | <b>2,74,39,260</b>   | <b>24,41,651</b>          | -                    | <b>2,98,80,911</b>    | <b>53,57,183</b>      |
| <b>Investment Property</b>        |                      |                          |                      |                          |                      |                           |                      |                       |                       |
| Freehold Land - TIPL              | 33,01,270            | -                        | -                    | 33,01,270                | -                    | -                         | -                    | -                     | 33,01,270             |
| Building - TIPL                   | 1,89,67,151          | 28,35,656                | -                    | 2,18,02,807              | 54,93,220            | 6,26,162                  | -                    | 61,19,382             | 1,56,83,425           |
| <b>TOTAL</b>                      | <b>2,22,68,421</b>   | <b>28,35,656</b>         | -                    | <b>2,51,04,077</b>       | <b>54,93,220</b>     | <b>6,26,162</b>           | -                    | <b>61,19,382</b>      | <b>1,89,84,695</b>    |
| <b>TOTAL</b>                      |                      |                          |                      |                          |                      |                           |                      |                       | <b>1,67,75,201</b>    |

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**

| Particulars   | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|---|--|--|
| <b>Note 3 : Capital Work in Progress</b>  |  |  |
| Capital Work in Progress  | -  | 22,49,683                                  |
| <b>Total Capital Work in Progress</b>   | <b>-</b>                                   | <b>22,49,683</b>                           |
| <b>Note : 4 : Investment Property</b>   |  |  |
| Land  | 33,01,270                                  | 33,01,270                                  |
| Building (net of depreciation)  | 1,56,83,425                                | 1,34,73,931                                |
| <b>Total Investment Property</b>  | <b>1,89,84,695</b>                         | <b>1,67,75,201</b>                         |
| <b>Note : 5 : Investments in Subsidiaries, Associates and Joint Ventures</b>                          |  |  |
| <b>Non-Current</b>  |  |  |
| <b>A. Investments in Equity Shares of Subsidiary, Associate and Joint Ventures (Measured at Cost)</b> |  |  |
| <b>Investment in Subsidiaries :</b>   |  |  |
| C.Y. 36,00,000 (P.Y. 36,00,000) Equity Shares of Rs. 10 each of AEML Investments Limited              | 31,25,63,000                               | 31,25,63,000                               |
| C.Y. 49,994 (P.Y. 49,994) Equity Shares of Rs. 10 each of Apollo FBC Crushing Equipments Limited      | 4,99,940                                   | 4,99,940                                   |
| <b>Investment in Associates :</b>   |  |  |
| C.Y. 1,50,57,925 (P.Y. 1,50,57,925) Equity Shares of Rs. 10 each of Credo Minerals Industries Limited | 26,40,28,147                               | 26,40,28,147                               |
| C.Y. 8,50,000 (P.Y. 8,50,000) Equity Shares of Rs. 10 each of Apollo Agro Industries Limited          | 85,00,000                                  | 85,00,000                                  |
| <b>Total Non-Current Investments in Subsidiaries, Associates and Joint Ventures</b>                   | <b>58,55,91,087</b>                        | <b>58,55,91,087</b>                        |
| <b>Note 6 : Other Financial Assets</b>  |  |  |
| <b>Non-Current</b>  |  |  |
| Capital Advances  | 47,50,000                                  | 47,50,000                                  |
| Security Deposit  | 6,33,297                                   | 10,12,128                                  |
| <b>Total Non-Current Other Financial Assets</b>   | <b>53,83,297</b>                           | <b>57,62,128</b>                           |
| <b>Note 7 : Inventories</b>   |  |  |
| Raw Material Inventory  | 9,72,48,297                                | 9,08,77,010                                |
| Stores and Tools Inventory  | 46,66,427                                  | 67,44,840                                  |
| Scrap Inventory   | 8,12,987                                   | 13,63,159                                  |
| Semi Finished Inventory   | 8,96,78,343                                | 11,43,50,566                               |
| Finished Goods Inventory  | 97,27,646                                  | 1,14,17,556                                |
| <b>Total Inventories</b>  | <b>20,21,33,700</b>                        | <b>22,47,53,131</b>                        |
| <b>Note : 8 : Investments</b>   |  |  |
| <b>Current</b>  |  |  |
| <b>Investment in Units of Mutual Funds - Quoted</b>   |  |  |
| No. of Unit - C.Y. 25,94,037 (P.Y. 25,94,037)   |  |  |
| Piramal Mutual Fund   | 1,14,22,323                                | 1,88,20,719                                |
| Measured at FVTOCI  |  |  |
| <b>Total Current Investments</b>  | <b>1,14,22,323</b>                         | <b>1,88,20,719</b>                         |

# GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars   | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|---|--|--|
| <b>Note : 9 : Loans &amp; Advances</b>  |  |  |
| <b>Current (Measured at Amortised Cost)</b>   |  |  |
| <b>Inter-Corporate Deposits in Others :</b>   |  |  |
| <b>Unsecured &amp; Considered Goods</b>   |  |  |
| Inter-Corporate Deposits - Given  | 1,34,78,68,936                             | 1,24,37,57,999                             |
| Advances Recoverable in Cash or Kind  | 1,96,99,266                                | 5,52,68,342                                |
| Balance with Statutory Bodies   | 2,70,92,661                                | 3,65,14,784                                |
| Interest Accrued on Investment/ Loans/ Advance  | -  | 1,876                                      |
| Prepaid Expenses  | 3,84,091                                   | 7,26,230                                   |
| <b>Total Current Loans &amp; Advances</b>   | <b>1,39,50,44,954</b>                      | <b>1,33,62,69,231</b>                      |
| <b>Note : 9A : Current Tax Assets (Net)</b>   |  |  |
| Current Tax Assets (Net)  | 1,23,04,042                                | 94,46,073                                  |
| <b>Total Current Tax Assets (Net)</b>   | <b>1,23,04,042</b>                         | <b>94,46,073</b>                           |
| <b>Note 10 : Trade Receivables</b>  |  |  |
| Considered Good   | 9,86,38,449                                | 6,63,22,735                                |
| Considered Doubtful   | -  | 27,18,375                                  |
| Provision for Doubtful Debts  | -  | (27,18,375)                                |
| <b>Total Trade Receivables</b>  | <b>9,86,38,449</b>                         | <b>6,63,22,735</b>                         |
| <b>Note 11 : Cash and Cash Equivalents &amp; Other Bank Balances</b>  |  |  |
| <b>Cash and Cash Equivalents</b>  |  |  |
| Balances with banks   |  |  |
| Current Accounts  | 20,92,178                                  | 47,24,406                                  |
| Cash on hand  | 3,73,172                                   | 2,46,557                                   |
| <b>Total Cash and Cash Equivalents</b>  | <b>24,65,350</b>                           | <b>49,70,963</b>                           |
| <b>Other Bank Balances</b>  |  |  |
| Margin money deposits   | 15,35,000                                  | 10,50,000                                  |
| Bank Deposit with more than 3 months of maturity  | 5,00,00,000                                | 5,00,00,000                                |
| Unclaimed Dividends bank  | 35,65,951                                  | 39,41,497                                  |
| <b>Total Other Bank Balances</b>  | <b>5,51,00,951</b>                         | <b>5,49,91,497</b>                         |
| <b>Note 12 : Other Current Assets</b>   |  |  |
| Deposit in Sardar Sarovar Narmada Nigam Limited   | 4,67,680                                   | 3,16,000                                   |
| MAT Credit Entitlement  | 56,82,876                                  | 1,29,33,551                                |
| Current Year Receivable   | -  | (1,16,155)                                 |
| Utilize for Payment of Tax  | (26,51,559)                                | (71,34,520)                                |
| <b>Total Other Current Assets</b>   | <b>34,98,997</b>                           | <b>59,98,876</b>                           |
| <b>Note 13 : Equity Share Capital</b>   |  |  |
| <b>Authorised Share Capital</b>   |  |  |
| 2,00,00,000 Equity Shares of Rs. 10 each<br>(31st March, 2019 : 2,00,00,000; 1st April, 2018 : 2,00,00,000<br>Equity Shares of Rs. 10 each) | 20,00,00,000                               | 20,00,00,000                               |
| <b>Total Authorised Share Capital</b>   | <b>20,00,00,000</b>                        | <b>20,00,00,000</b>                        |
| <b>Issued, Subscribed and Paid up Capital</b>   |  |  |
| 1,26,61,915 Equity Shares of Rs. 10 each fully paid up  | 12,66,19,150                               | 12,66,19,150                               |
| <b>Total</b>  | <b>12,66,19,150</b>                        | <b>12,66,19,150</b>                        |

**Reconciliation of the Shares Outstanding at the Beginning and at the end of the Reporting Period**

| Particulars                               | No of Shares                            | Amount                                  |
|---|---|---|
| <b>As at 1st April, 2017</b>              |   |   |
| At the beginning of the year              | 1,36,60,000                             | 13,66,00,000                            |
| Add : Shares issued during the year       | -                                       | -                                       |
| Less: Buy Back of Shares During the year  | <b>(9,98,085)</b>                       | <b>(99,80,850)</b>                      |
|   | <b>1,26,61,915</b>                      | <b>12,66,19,150</b>                     |
| <b>As at 31st March, 2018</b>             |   |   |
| At the beginning of the year              | <b>1,26,61,915</b>                      | <b>12,66,19,150</b>                     |
| Add : Shares issued during the year       | -                                       | -                                       |
| Less : Buy Back of Shares during the year | -                                       | -                                       |
|   | <b>1,26,61,915</b>                      | <b>12,66,19,150</b>                     |
| <b>As at 31st March, 2019</b>             |   |   |
|   | <b>1,26,61,915</b>                      | <b>12,66,19,150</b>                     |
| Particulars                               | As at 31st March, 2019<br>(Amount in `) | As at 31st March, 2018<br>(Amount in `) |

**Details of Shareholder(s) Holding More Than 5% Equity Shares**
**Number of Equity Shares**

|                    |           |           |
|--------------------|-----------|-----------|
| Asit A Patel (HUF) | 22,50,528 | 22,50,528 |
| Anand A Patel      | 10,59,000 | 10,59,000 |
| Shardaben A Patel  | 8,46,901  | -         |

**% Holding in Equity Shares**

|                    |        |        |
|--------------------|--------|--------|
| Asit A Patel (HUF) | 17.77% | 17.77% |
| Anand A Patel      | 8.36%  | 8.36%  |
| Shardaben A Patel  | 6.69%  | -      |

**Notes**
**Terms /Rights attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having a par value Rs. 10/- per share. Each Holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. Payment of dividend is also made in foreign currency to shareholders outside India. The Dividend proposed by the Board of Directors is Subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

As Per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has bought back 6,34,379 Equity Shares in FY 2013-14, 7,85,294 Equity Shares in FY 2014-15, 14,95,327 Equity Shares in FY 2015-16 and 9,98,085 in FY 2017-18.

| Particulars  | As at 31st March, 2019<br>(Amount in `) | As at 31st March, 2018<br>(Amount in `) |
|--|---|---|
| <b>Note 14 : Other Equity</b>                          |   |   |
| General Reserve  | 1,41,57,86,801                          | 1,41,57,86,801                          |
| Retained Earnings                                      | 93,85,60,103                            | 94,56,55,074                            |
| Capital Redemption Reserve                             | 3,91,30,850                             | 3,91,30,850                             |
| Reserves Representing Unrealized Gains/losses (FVTOCI) | (5,03,855)                              | 53,50,787                               |
| <b>Total Other Equity</b>                              | <b>2,39,29,73,899</b>                   | <b>2,40,59,23,512</b>                   |
| <b>General Reserve</b>                                 |   |   |
| Opening Balance  | 1,41,57,86,801                          | 1,59,49,69,624                          |
| Transfer During the Year                               | -                                       | (99,80,850)                             |
| Buy Back Of Shares                                     | -                                       | 99,80,850                               |
| Premium Paid On Buyback of Share                       | -                                       | (17,91,82,823)                          |
| <b>Total General Reserve</b>                           | <b>1,41,57,86,801</b>                   | <b>1,41,57,86,801</b>                   |

# GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars   | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|---|--|--|
| <b>Retained Earnings</b>  |  |  |
| Opening Balance   | 94,56,55,074                               | 84,20,04,619                               |
| Profit During the Year  | 6,25,45,562                                | 10,36,82,366                               |
| Dividend Paid for F.Y. 2017-18  | (3,79,85,745)                              | -  |
| Dividend Paid for F.Y. 2016-17  | (3,16,54,788)                              | -  |
| Tax On Proposed Dividend  | -  | (31,911)                                   |
| <b>Total Retained Earnings</b>  | <b>93,85,60,103</b>                        | <b>94,56,55,074</b>                        |
| <b>Capital Redemption Reserve</b>   |  |  |
| Opening Balance   | 3,91,30,850                                | 2,91,50,000                                |
| Add: Transfer During the Year   | -  | 99,80,850                                  |
| <b>Total Capital Redemption Reserve</b>   | <b>3,91,30,850</b>                         | <b>3,91,30,850</b>                         |
| <b>Reserves Representing Unrealized Gains/Losses</b>  |  |  |
| <b>FVOCI - Equity Investments</b>   |  |  |
| Opening Balance   | 53,50,787                                  | 12,55,17,190                               |
| Actuarial Gains and losses  | (1,70,113)                                 | 1,70,113                                   |
| Increase/(Decrease) Fair Value of FVOCI Equity Instruments  | (56,84,529)                                | (12,03,36,517)                             |
| <b>Total Reserves Representing Unrealized Gains/Losses</b>  | <b>(5,03,855)</b>                          | <b>53,50,787</b>                           |
| <b>Note 15 : Deferred Tax (Asset)/Liability</b>   |  |  |
| Deferred Tax Liabilities at the Beginning of the Year   | 3,82,07,617                                | 31,56,664                                  |
| Deferred Tax On OCI   | -  | -  |
| Deferred Tax Liabilities for Current Year on Depreciation Diff.   | (84,06,847)                                | 3,50,50,953                                |
| <b>Total Deferred Tax Liabilities</b>   | <b>2,98,00,770</b>                         | <b>3,82,07,617</b>                         |
| <b>Total Deferred Tax (Asset)/Liability</b>   | <b>2,98,00,770</b>                         | <b>3,82,07,617</b>                         |
| <b>Note 16 : Net Employee Benefit Liabilities</b>   |  |  |
| <b>Current</b>  |  |  |
| Provision for Bonus   | 11,75,061                                  | 21,74,397                                  |
| <b>Total Current Net Employee Benefit Liabilities</b>   | <b>11,75,061</b>                           | <b>21,74,397</b>                           |
| <b>Note 17 : Borrowings</b>   |  |  |
| <b>Current</b>  |  |  |
| HDFC BANK A/C.#00060330007196<br>(Secured against Hypothecation of Books Debts & Stocks and equitable mortgage of all the factory land and building and P&M at Survey No. 486 of the factory) | 7,88,54,150                                | 7,99,49,563                                |
| Mehsana Urban Co-Operative Bank<br>(Secured against Term Deposits)  | 4,39,42,840                                | 1,53,51,020                                |
| <b>Total Borrowings</b>   | <b>12,27,96,990</b>                        | <b>9,53,00,583</b>                         |
| <b>Note 18 : Trade Payables</b>   |  |  |
| <b>Sundry Creditors [Raw Materials]</b>   |  |  |
| Due of MSME   | 1,55,87,950                                | -  |
| Due of Other than MSME  | 3,25,44,404                                | 3,38,28,734                                |
| Sundry Creditors (Other)  | 1,01,72,138                                | -  |
| <b>Total Trade Payables</b>   | <b>5,83,04,492</b>                         | <b>3,38,28,734</b>                         |

| Particulars  | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|--|--|--|
| <b>Note 19 : Other Current Liabilities</b>           |  |  |
| Balance Payable to Statutory Bodies                  | 41,40,946                                  | 39,16,155                                  |
| Advances from Customers                              | 73,25,884                                  | 1,76,09,111                                |
| Unclaimed Dividends Liabilities                      | 35,65,952                                  | 34,95,632                                  |
| Payment Of Dividend                                  | -  | (3,12,08,923)                              |
| Unpaid Liabilities                                   | 15,39,202                                  | 1,16,48,441                                |
| <b>Total Other Current Liabilities</b>               | <b>1,65,71,984</b>                         | <b>54,60,416</b>                           |
| <br>   |  |  |
| Particulars  | For the<br>Year Ended<br>31st March, 2019  | For the<br>Year Ended<br>31st March, 2018  |
| <b>Note 20 : Revenue From Operations</b>             |  |  |
| Sale of Construction and Mining Machineries & Spares | 28,82,09,606                               | 68,84,12,826                               |
| Sale of Services                                     | 32,28,652                                  | 20,94,716                                  |
| Duty Draw Back Income                                | 3,94,742                                   | 26,06,468                                  |
| Solar Project Income                                 | 64,82,567                                  | 1,24,53,365                                |
| Less: Excise Duty and Service Tax                    | -  | 2,16,92,870                                |
| <b>Total Revenue From Operations</b>                 | <b>29,83,15,567</b>                        | <b>68,38,74,505</b>                        |
| <br>   |  |  |
| <b>Note 21 : Other Income</b>                        |  |  |
| <b>Dividend From Long Term Investments</b>           |  |  |
| Dividend on Long-Term Investments (Subsidiary)       | 3,78,00,000                                | 3,15,00,000                                |
| Dividend on Long-Term Investments (Other)            | -  | 19,16,463                                  |
|  | <b>3,78,00,000</b>                         | <b>3,34,16,463</b>                         |
| <br>   |  |  |
| <b>Other Non-Operating Income</b>                    |  |  |
| Profit on Sale / Disposal of Assets (Net)            | -  | 2,20,891                                   |
| Profit / Loss On Sale of Investments                 | -  | 12,31,01,088                               |
| Gain / (Loss) on Foreign Currency Translation [Net]  | 6,03,519                                   | 10,91,725                                  |
| Export Incentive Income                              | 10,69,049                                  | 9,76,058                                   |
| Miscellaneous Income                                 | 27,04,508                                  | 39,96,615                                  |
|  | <b>43,77,076</b>                           | <b>12,93,86,377</b>                        |
| <b>Total Other Income</b>                            | <b>4,21,77,076</b>                         | <b>16,28,02,840</b>                        |
| <br>   |  |  |
| <b>Note 22 : Finance Income</b>                      |  |  |
| Interest Income                                      | 12,18,48,047                               | 12,11,08,057                               |
| <b>Total Finance Income</b>                          | <b>12,18,48,047</b>                        | <b>12,11,08,057</b>                        |
| <br>   |  |  |
| <b>Note : 23 : Cost of Material Consumed</b>         |  |  |
| <b>Raw Material Consumed:</b>                        |  |  |
| Opening Stock of Raw Material                        | 9,08,77,010                                | 12,73,60,191                               |
| Purchases  | 19,98,74,271                               | 52,67,55,966                               |
| <b>Less : Closing Stock of Raw Material</b>          | <b>9,72,48,297</b>                         | <b>9,08,77,010</b>                         |
| <b>Total Cost of Material Consumed</b>               | <b>19,35,02,984</b>                        | <b>56,32,39,147</b>                        |

## GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars                             | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|---|--|--|
| <b>Note 24 : Changes in Inventories</b> |  |  |
| <b>Opening Balance :</b>                |  |  |
| Scrap                                   | 13,63,159  | 2,660  |
| Semi Finished Goods                     | 11,43,50,566   | 10,80,28,090   |
| Finished Goods                          | 1,14,17,556  | 1,37,88,473  |
|   | <b>12,71,31,281</b>  | <b>12,18,19,223</b>  |
| <b>Less: Closing Balance :</b>          |  |  |
| Scrap                                   | 8,12,987   | 13,63,159  |
| Semi Finished Goods                     | 8,96,78,343  | 11,43,50,566   |
| Finished Goods                          | 97,27,646  | 1,14,17,556  |
|   | <b>10,02,18,976</b>  | <b>12,71,31,281</b>  |
| <b>Total Changes in Inventories</b>     | <b>2,69,12,305</b>   | <b>(53,12,059)</b>   |

### Note 25 : Employee Benefit Expenses

|  |                    |                    |
|--|--------------------|--------------------|
| Salary, Wages and Allowances                   | 3,05,03,314        | 4,26,19,568        |
| Contribution to Provident Fund and Other Funds | 12,29,751          | 23,19,908          |
| Bonus & Gratuity                               | 11,50,525          | 41,22,015          |
| Leave Encashment Expenses                      | -                  | 2,74,844           |
| Staff Welfare Expenses                         | 27,54,291          | 66,03,992          |
| <b>Total Employee Benefit Expenses</b>         | <b>3,56,37,881</b> | <b>5,59,40,327</b> |

### 25.1 DISCLOSURES FOR GRATUITY PROVISIONS AS PER INDIAN ACCOUNTING STANDARD - 19

| Particulars                   | 2018-19<br>Gratuity                            | 2017-18<br>Gratuity                            |
|-------------------------------|--|--|
| Mortality                     | Indian Assured<br>Lives Mortality<br>(2006-08) | Indian Assured<br>Lives Mortality<br>(2006-08) |
| Withdrawal rate               |  |  |
| Retirement Age                | 58 years                                       | 58 years                                       |
| Discount Rate                 | 7.85% p.a.                                     | 7.27% p.a.                                     |
| Rate of Return on Plan Assets | 7.85% p.a.                                     | 7.27% p.a.                                     |
| Salary escalation             | 7% p. a.                                       | 7% p. a.                                       |

The following table sets out status of gratuity plan as required under Indian Accounting Standard 19 on "Employee Benefit".

| Particulars  | 2018-19<br>Gratuity | 2017-18<br>Gratuity |
|--|---------------------|---------------------|
| <b>Table showing change in benefit obligation</b>                                      |                     |                     |
| Opening defined benefit obligation   | 39,83,992           | 1,04,33,749         |
| Interest Cost  | 3,12,743            | 7,58,534            |
| Current Service Cost   | 4,84,774            | 9,64,284            |
| Liability Transferred In / Acquisitions<br>( Liability Transferred Out / Divestments ) | -                   | 1,55,057            |
|  | -                   | (66,47,410)         |
| Benefit Paid   | (8,14,096)          | (13,04,744)         |
| Actuarial Loss / (gain) on Obligations   | 1,24,283            | (3,75,478)          |
| <b>Liability at the end of the period</b>  | <b>40,91,696</b>    | <b>39,83,992</b>    |

| Particulars  | 2018-19<br>Gratuity     | 2017-18<br>Gratuity     |
|--|-------------------------|-------------------------|
| <b>Table showing change in Fair Value of Plan Assets</b>                 |                         |                         |
| Fair Value of Plan Assets at the beginning                               | 43,63,512               | 93,68,323               |
| Expected Return on Plan Assets   | (26,164)                | (2,05,365)              |
| Contributions  | 8,36,133                | 17,02,543               |
| Assets Transferred In / Acquisitions                                     | -                       | 4,06,638                |
| ( Assets Transferred Out / Divestments )                                 | -                       | (62,84,960)             |
| Actuarial Loss/ (Gain) due to Experience Adjustments                     | -                       | -                       |
| Interest Income  | 3,42,536                | 6,81,077                |
| Benefit paid   | (8,14,096)              | (13,04,744)             |
| Actuarial Gain /(Loss) on Plan Assets                                    | -                       | -                       |
| <b>Fair Value of Plan Assets at the end of the period</b>                | <b>47,01,921</b>        | <b>43,63,512</b>        |
| <b>Actual Gain / loss recognized</b>                                     |                         |                         |
| Actuarial (gain) / loss on obligations                                   | 1,24,283                | (3,75,478)              |
| Actuarial (gain) / loss on Plan Assets                                   | 26,164                  | 2,05,365                |
| Net Actuarial (gain) / loss recognized during year                       | <b>1,50,447</b>         | <b>(1,70,113)</b>       |
| <b>Amount recognized in Balance Sheet</b>                                |                         |                         |
| Liability at the end of the period                                       | (40,91,696)             | (39,83,992)             |
| Fair Value of Plan Asset at the end of the period                        | 47,01,921               | 43,63,512               |
| Net Asset / (Liability) recognized in Balance Sheet                      | <b>6,10,225</b>         | <b>3,79,520</b>         |
| <b>Expense recognized in the Statement of Profit and Loss</b>            |                         |                         |
| Current Service cost   | 4,84,774                | 9,64,284                |
| Interest cost  | (29,793)                | 77,457                  |
| Expected Return on Plan Asset  | -                       | -                       |
| Net Actuarial Loss / (Gain) to be Recognized                             | -                       | -                       |
| Adjustment to Opening Fund / Prior Year Charges                          | -                       | -                       |
| <b>Net Expense Recognized in P&amp;L</b>                                 | <b>4,54,981</b>         | <b>10,41,741</b>        |
| <b>Expense recognized in the Statement of Other Comprehensive Income</b> |                         |                         |
| Due to change in financial assumption                                    | 1,06,996                | (2,27,220)              |
| Due to change in demographic assumption                                  | 83,799                  | -                       |
| Due to experience adjustment   | (66,512)                | (1,48,258)              |
| Return on plan assets excluding amounts included in interest income      | 26,164                  | 2,05,365                |
| Net Expense recognized in OCI  | <b>1,50,447</b>         | <b>(1,70,113)</b>       |
| <b>Sensitivity Analysis</b>  |                         |                         |
| Projected Benefit Obligation on Current Assumptions                      | 40,91,696               | 39,83,992               |
| Delta Effect of +1% Change in Rate of Discounting                        | (2,70,539)              | (3,42,605)              |
| Delta Effect of -1% Change in Rate of Discounting                        | 3,09,189                | 4,06,812                |
| Delta Effect of +1% Change in Rate of Salary Increase                    | 3,07,565                | 4,06,196                |
| Delta Effect of -1% Change in Rate of Salary Increase                    | (2,74,050)              | (3,48,090)              |
| Delta Effect of +1% Change in Rate of Employee Turnover                  | 1,758                   | 17,792                  |
| <b>Particulars</b>   | <b>As At</b>            | <b>As At</b>            |
|  | <b>31st March, 2019</b> | <b>31st March, 2018</b> |
| <b>Note 26 : Finance Costs</b>   |                         |                         |
| Interest Expenses [Bank]   | 1,05,92,046             | 1,29,00,657             |
| Interest Expenses [Other]  | 1,41,412                | 2,72,310                |
| Other Borrowing Costs [includes bank charges, etc.]                      | 8,07,119                | 19,01,436               |
| <b>Total Finance Costs</b>   | <b>1,15,40,577</b>      | <b>1,50,74,403</b>      |

## GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars  | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|--|--|--|
| <b>Note 27 : Other Expenses</b>                      |  |  |
| Advertisement & Sales Promotion                      | 28,37,906  | 65,40,692  |
| Audit Fees   | 5,50,000   | 5,50,000   |
| Bad Debts Written off                                | 24,47,976  | 1,99,79,900  |
| Commission on Sales                                  | 36,07,821  | -  |
| Discount & Miscellaneous Expenses                    | 45,61,908  | 4,55,262   |
| Donation   | -  | 35,30,000  |
| Erection and After Sales Services                    | 8,60,393   | 4,94,082   |
| Insurance Premium                                    | 3,10,083   | 10,61,687  |
| Transportation & Carriage [Inward]                   | 21,16,106  | 95,20,176  |
| Travelling & Conveyance                              | 47,91,982  | 72,58,123  |
| Labour Charges                                       | 2,14,15,230  | 4,60,97,559  |
| Loss on Sale of Assets [Net]                         | 57,278   | 12,52,633  |
| Power & Fuel   | 25,39,999  | 68,46,940  |
| Office & Administrative Expenses                     | 16,20,565  | 27,57,768  |
| Telephone & Communication Expenses                   | 11,37,935  | 15,56,923  |
| Professional Charges                                 | 96,17,259  | 1,57,22,703  |
| Repairs to Plant & Machinery                         | 17,476   | 6,33,403   |
| Stores and Tools Consumed                            | 1,01,22,791  | 1,70,19,098  |
| Stationery & Printing Expenses                       | 2,88,557   | 4,47,313   |
| Rent, Rates & Taxes                                  | 9,66,109   | 38,70,944  |
| Freight Outward                                      | 57,33,084  | 16,61,611  |
| Vehicle Running and Maintenance                      | 20,48,399  | 22,97,444  |
| Factory Expenses                                     | 1,52,108   | 12,91,639  |
| <b>Total Other Expenses</b>                          | <b>7,78,00,965</b>   | <b>15,08,45,902</b>  |
| <b>Note 28 : Earning Per Share</b>                   |  |  |
| <b>Profit Attributable to Equity Holders for :</b>   |  |  |
| Basic Earnings                                       | 6,25,45,562  | 10,36,82,366   |
| Adjusted for the Effect of Dilution                  | -  | -  |
| <b>Weighted Average Number of Equity Shares for:</b> |  |  |
| Basic EPS  | 1,26,61,915  | 1,26,61,915  |
| Adjusted for the Effect of Dilution                  | -  | -  |
| <b>Earnings Per Share (Rs.):</b>                     |  |  |
| Basic  | 4.94   | 8.19   |
| Diluted  | 4.94   | 7.98   |

**Note 29. Deferred Tax Asset/(Liabilities) [Net]  
Movement in Deferred Tax Balances**

| Particulars                              | 31st March, 2019          |                              |                               |          |                      |                    |                        |
|--|---------------------------|------------------------------|-------------------------------|----------|----------------------|--------------------|------------------------|
|  | Net Balance April 1, 2018 | Recognised in Profit or Loss | Recognised directly in Equity | Other    | Net                  | Deferred Tax Asset | Deferred Tax Liability |
| <b>Deferred Tax Asset/ (Liabilities)</b> |                           |                              |                               |          |                      |                    |                        |
| Fixed Assets                             | (3,82,07,617)             | 84,06,847                    | -                             | -        | (2,98,00,770)        | -                  | (2,98,00,770)          |
| Remeasurement of Gratuity                | -                         | -                            | -                             | -        | -                    | -                  | -                      |
| Loss Carry Forward Gratuity              | -                         | -                            | -                             | -        | -                    | -                  | -                      |
| <b>Tax Assets/(Liabilities)</b>          | <b>(3,82,07,617)</b>      | <b>84,06,847</b>             | <b>-</b>                      | <b>-</b> | <b>(2,98,00,770)</b> | <b>-</b>           | <b>(2,98,00,770)</b>   |
| Set off tax                              | -                         | -                            | -                             | -        | -                    | -                  | -                      |
| <b>Net Tax Assets/ (Liabilities)</b>     | <b>(3,82,07,617)</b>      | <b>84,06,847</b>             | <b>-</b>                      | <b>-</b> | <b>(2,98,00,770)</b> | <b>-</b>           | <b>(2,98,00,770)</b>   |

| Particulars                            | 31st March, 2018          |                              |                               |          |                      |                    |                        |
|--|---------------------------|------------------------------|-------------------------------|----------|----------------------|--------------------|------------------------|
|  | Net balance April 1, 2017 | Recognised in profit or loss | Recognised directly in equity | Other    | Net                  | Deferred tax asset | Deferred tax Liability |
| <b>Deferred Tax Assets/Liabilities</b> |                           |                              |                               |          |                      |                    |                        |
| Fixed Assets                           | (3,45,60,683)             | (36,46,935)                  | -                             | -        | (3,82,07,617)        | -                  | (3,82,07,617)          |
| Remeasurement of Gratuity              | -                         | -                            | -                             | -        | -                    | -                  | -                      |
| Loss Carry Forward Gratuity            | 3,14,04,019               | (3,14,04,019)                | -                             | -        | -                    | -                  | -                      |
| <b>Tax Assets/ (Liabilities)</b>       | <b>(31,56,664)</b>        | <b>(3,50,50,955)</b>         | <b>-</b>                      | <b>-</b> | <b>(3,82,07,617)</b> | <b>-</b>           | <b>(3,82,07,617)</b>   |
| Set off tax                            | -                         | -                            | -                             | -        | -                    | -                  | -                      |
| <b>Net Tax Assets/ (Liabilities)</b>   | <b>(31,56,664)</b>        | <b>(3,50,50,955)</b>         | <b>-</b>                      | <b>-</b> | <b>(3,82,07,617)</b> | <b>-</b>           | <b>(3,82,07,617)</b>   |

**Tax Losses Carried Forward**

| Particulars  | 31/3/2019 | Expiry date | 31/3/2018 | Expiry date |
|--------------|-----------|-------------|-----------|-------------|
| Never Expire | -         | -           | -         | -           |
| Never Expire | -         | -           | -         | -           |

| Particulars                                   | As at                             |                                   |
|---|-----------------------------------|-----------------------------------|
|   | 31st March, 2019<br>(Amount in `) | 31st March, 2018<br>(Amount in `) |
| <b>Note 30 : Earnings in Foreign Exchange</b> | <b>Current Year</b>               | <b>Previous Year</b>              |
| A. Export of Goods                            |                                   |                                   |
| (i) Direct on FOB Basis                       | 7,31,02,857                       | 6,23,89,795                       |
| (ii) Deemed Export                            | -                                 | -                                 |
| B. Export of Services                         | -                                 | -                                 |
| <b>Total Earnings in Foreign Exchange</b>     | <b>7,31,02,857</b>                | <b>6,23,89,795</b>                |

**Note 31 Value of Imports on CIF Basis**

|  |                 |                  |
|--|-----------------|------------------|
| Raw Material & Components                  | 7,47,045        | 60,39,251        |
| <b>Total Value of Imports on CIF Basis</b> | <b>7,47,045</b> | <b>60,39,251</b> |

## GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars                                    | As at<br>31st March, 2019<br>(Amount in `) | As at<br>31st March, 2018<br>(Amount in `) |
|--|--|--|
| <b>Note 32 Expenditure in Foreign Currency</b> |  |  |
| A. Travelling & Others                         | 7,29,888                                   | 21,52,607                                  |
| <b>Total Expenditure in Foreign Currency</b>   | <b>7,29,888</b>                            | <b>21,52,607</b>                           |

### Note 33 Contingent Liabilities

|   |                    |                    |
|---|--------------------|--------------------|
| I. In respect of Sales Tax, Excise and Service Tax Demand | 2,33,49,000        | 2,52,40,616        |
| II. In respect of Guarantee given to Customer             | 83,96,118          | 86,32,928          |
| <b>Total Contingent Liabilities</b>                       | <b>3,17,45,118</b> | <b>3,38,73,544</b> |

### Note 34 Segment Reporting

|  |                     |                     |
|--|---------------------|---------------------|
| (i) The company has primarily business segment "Construction Equipments and Maintenance Machineries" The Company's operation are solely situated in India. |                     |                     |
| (ii) The secondary segment is based on Geographical demarcation i.e. India and rest of the world.  |                     |                     |
| Export Sales   | 7,41,70,480         | 6,60,54,093         |
| Domestic Sales   | 22,41,45,087        | 61,78,20,412        |
| <b>Total</b>   | <b>29,83,15,567</b> | <b>68,38,74,505</b> |

### Note 35 Details of Raw Material Consumed

| Particulars                                   | As at<br>31st March, 2019 |                     | As at<br>31st March, 2018 |                     |
|---|---------------------------|---------------------|---------------------------|---------------------|
|   | %                         | Amount              | %                         | Amount              |
| Imported                                      | 0.39%                     | 7,47,305            | 2%                        | 87,03,284           |
| Indigeneous                                   | 99.61%                    | 19,27,55,679        | 98%                       | 55,45,35,863        |
| <b>Total Details of Raw Material Consumed</b> | <b>100%</b>               | <b>19,35,02,984</b> | <b>100%</b>               | <b>56,32,39,147</b> |

### Note 36 Disclosure Under Micro, Small and Medium Enterprise Development Act, 2006

| Particulars | As at<br>31st March, 2019<br>(Amount in `) | As at<br>31st March, 2018<br>(Amount in `) |
|-------------|--|--|
|-------------|--|--|

#### Micro, Small and Medium Enterprise

|   |             |   |
|---|-------------|---|
| a. The principal amount and interest due thereon remaining unpaid at the end of accounting year   | 1,55,87,950 | - |
| b. The amount of interest paid by the buyer in terms of the section 16 of the MSME Act alongwith the amount of the payment made to the supplier beyond the appointed day during accounting year   | -           | - |
| c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under MSME Act 2006.   | -           | - |
| d. The amount of interest accrued and remaining unpaid at the end of accounting year  | 91,139      | - |
| e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSME Act, 2006. | -           | - |

**Note 37**
**A. Financial Instruments by Category and their Fair Value**

| <b>As at 31st March 2019</b>   | <b>Carrying amount</b> |                    |                       |                       |
|--|------------------------|--------------------|-----------------------|-----------------------|
|  | <b>FVTPL</b>           | <b>FVTOCI</b>      | <b>Amotised Cost</b>  | <b>Total</b>          |
| <b>Financial Assets</b>  |                        |                    |                       |                       |
| <b>Investments</b>   |                        |                    |                       |                       |
| Quoted   | -                      | 1,14,22,323        | -                     | 1,14,22,323           |
| Unquoted   | -                      | -                  | -                     | -                     |
| <b>Loans</b>   |                        |                    |                       |                       |
| Current  | -                      | -                  | 1,39,50,44,954        | 1,39,50,44,954        |
| Trade Receivables  | -                      | -                  | 9,86,38,449           | 9,86,38,449           |
| Cash and Cash Equivalents  | -                      | -                  | 24,65,350             | 24,65,350             |
| Other Bank Balances  | -                      | -                  | 5,51,00,951           | 5,51,00,951           |
| <b>Other Financial Assets</b>  |                        |                    |                       |                       |
| Non-Current  | -                      | -                  | 53,83,297             | 53,83,297             |
| Current  | -                      | -                  | -                     | -                     |
| <b>Total Financial Assets</b>  | <b>-</b>               | <b>1,14,22,323</b> | <b>1,55,66,33,002</b> | <b>1,56,80,55,324</b> |
| <b>Financial liabilities</b>   |                        |                    |                       |                       |
| <b>Borrowings</b>  |                        |                    |                       |                       |
| Non-Current  | -                      | -                  | -                     | -                     |
| Current  | -                      | -                  | 12,27,96,990          | 12,27,96,990          |
| <b>Other Financial Liabilities</b>   |                        |                    |                       |                       |
| Current  | -                      | -                  | 1,65,71,984           | 1,65,71,984           |
| Trade Payables   | -                      | -                  | 5,83,04,492           | 5,83,04,492           |
| <b>Total Financial Liabilities</b>   | <b>-</b>               | <b>-</b>           | <b>19,76,73,466</b>   | <b>19,76,73,466</b>   |
| Fair value of financial assets and liabilities measured at amortized cost is not materially different from the amortized cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately. |                        |                    |                       |                       |
| <b>As at 31st March 2018</b>   |                        |                    |                       |                       |
|  | <b>Carrying amount</b> |                    |                       |                       |
|  | <b>FVTPL</b>           | <b>FVTOCI</b>      | <b>Amotised Cost</b>  | <b>Total</b>          |
| <b>Financial Assets</b>  |                        |                    |                       |                       |
| <b>Investments</b>   |                        |                    |                       |                       |
| Quoted   | -                      | 1,88,20,719        | -                     | 1,88,20,719           |
| Unquoted   | -                      | -                  | -                     | -                     |
| <b>Loans</b>   |                        |                    |                       |                       |
| Current  | -                      | -                  | 1,34,57,15,304        | 1,34,57,15,304        |
| Trade Receivables  | -                      | -                  | 6,63,22,735           | 6,63,22,735           |
| Cash and Cash Equivalents  | -                      | -                  | 49,70,963             | 49,70,963             |
| Other Bank Balances  | -                      | -                  | 5,49,91,497           | 5,49,91,497           |
| <b>Other Financial Assets</b>  |                        |                    |                       |                       |
| Non-Current  | -                      | -                  | 57,62,128             | 57,62,128             |
| Current  | -                      | -                  | 59,98,876             | 59,98,876             |
| <b>Total Financial Assets</b>  | <b>-</b>               | <b>1,88,20,719</b> | <b>1,48,37,61,503</b> | <b>1,50,25,82,222</b> |
| <b>Financial Liabilities</b>   |                        |                    |                       |                       |
| <b>Borrowings</b>  |                        |                    |                       |                       |
| Non-Current  | -                      | -                  | -                     | -                     |
| Current  | -                      | -                  | 9,53,00,583           | 9,53,00,583           |
| <b>Other Financial Liabilities</b>   |                        |                    |                       |                       |
| Current  | -                      | -                  | 54,60,415             | 54,60,415             |
| Trade Payables   | -                      | -                  | 3,38,28,734           | 3,38,28,734           |
| <b>Total Financial Liabilities</b>   | <b>-</b>               | <b>-</b>           | <b>13,45,89,732</b>   | <b>13,45,89,732</b>   |

## GUJARAT APOLLO INDUSTRIES LIMITED

Fair value of financial assets and liabilities measured at amortized cost is not materially different from the amortized cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

**Types of inputs are as under:**

**Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges**

**Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.**

**Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.**

### B. Measurement of fair values

**Valuation techniques and significant unobservable inputs**

**Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods

**Level 2 fair values**

Movements in the values of unquoted equity instruments for the period ended 31st March, 2019 and 31st March, 2018 is as below:

| <b>Particulars</b>                                       | <b>Amount</b>       |
|--|---------------------|
| <b>As at 1 April, 2017</b>                               | <b>49,61,25,401</b> |
| Acquisitions/ (Disposals)                                | (35,69,68,165)      |
| Gains/ (Losses) recognised in other comprehensive income | (12,03,36,517)      |
| <b>As at 31 March, 2018</b>                              | <b>1,88,20,719</b>  |
| Acquisitions/ (Disposals)                                | (17,13,867)         |
| Gains/ (Losses) recognised in other comprehensive income | (56,84,529)         |
| <b>As at 31 March, 2019</b>                              | <b>1,14,22,323</b>  |

**Transfer out of Level 3**

There were no transfers out of level 3 during the year 2017-18 and 2018-19

### C. Financial Risk Management

The Company's principal financial liabilities comprises of loans & borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company operations and to provide guarantees to support its operations. The Company's principal financial assets include trade & other receivables, cash & cash equivalents and investments that are derived directly from its operations. The Company has exposure to the following risks arising from financial instruments:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk

#### (i) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

#### Trade Receivables

The Company's exposure to credit Risk is the exposure that Company has on account of services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial.

Services are generally subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

**Age of Receivables:**

| Particulars | As at<br>31/3/2019 | As at<br>31/3/2018 |
|-------------|--------------------|--------------------|
| Not Due     | 1,45,60,136        | -                  |
| 0-3 Months  | 2,76,96,368        | 88,81,686          |
| 3-6 Months  | 1,28,052           | 15,52,308          |
| 6-12 Months | 71,76,514          | 1,77,77,554        |
| 1-3 Years   | 3,75,59,910        | 1,85,10,548        |
| >3 Years    | 1,15,17,470        | 1,96,00,640        |

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

**Other financial assets**

Other financial assets comprise of cash and cash equivalents, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint ventures. - Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals. - Investments are made in credit worthy companies.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross / undiscounted values and include estimated interest payments and exclude the impact of netting agreements.

| Particulars                                 | Contractual Cash Flows Based on Maturity |                     |                     |                     |
|---|--|---------------------|---------------------|---------------------|
|   | Carrying Amount                          | Total               | Less than 12 months | More than 12 months |
| <b>31st March, 2019</b>                     |  |                     |                     |                     |
| <b>Non-Derivative Financial Liabilities</b> |  |                     |                     |                     |
| Non Current Borrowings                      | -  | -                   | -                   | -                   |
| Current Borrowings                          | 12,27,96,990                             | 12,27,96,990        | 12,27,96,990        | -                   |
| Non Current Financial Liabilities           | -  | -                   | -                   | -                   |
| Current Financial Liabilities               | 1,65,71,984                              | 1,65,71,984         | 1,65,71,984         | -                   |
| Trade and Other Payables                    | 5,83,04,492                              | 5,83,04,492         | 5,83,04,492         | -                   |
| <b>Total</b>                                | <b>19,76,73,466</b>                      | <b>19,76,73,466</b> | <b>19,76,73,466</b> | <b>-</b>            |

## GUJARAT APOLLO INDUSTRIES LIMITED

| 31st March, 2018                            | Contractual Cash Flows Based on Maturity |                     |                     |                     |
|---|--|---------------------|---------------------|---------------------|
|   | Carrying Amount                          | Total               | Less than 12 months | More than 12 months |
| <b>Non-Derivative Financial Liabilities</b> |  |                     |                     |                     |
| Non Current Borrowings                      | -  | -                   | -                   | -                   |
| Current Borrowings                          | 9,53,00,583                              | 9,53,00,583         | 9,53,00,583         | -                   |
| Non Current Financial Liabilities           | -  | -                   | -                   | -                   |
| Current Financial Liabilities               | 54,60,415                                | 54,60,415           | 54,60,415           | -                   |
| Trade and Other Payables                    | 3,38,28,734                              | 3,38,28,734         | 3,38,28,734         | -                   |
| <b>Total</b>                                | <b>13,45,89,732</b>                      | <b>13,45,89,732</b> | <b>13,45,89,732</b> | <b>-</b>            |

### (iii) Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the present/future performance of a business. The market risks include price risk, currency risk and interest rate risk. The primary price risk for the company is commodity price risk i.e. price risk of that could adversely affect the value of the Company's financial assets, liabilities or expected future cash flows.

#### Sensitivity

| Particulars                                       | Impact on Other Comprehensive Income |                        |
|---|--------------------------------------|------------------------|
|   | As at 31st March, 2019               | As at 31st March, 2018 |
| NSE NIFTY 50 - increase 20% (31 March 2016 - 10%) | -                                    | -                      |
| NSE NIFTY 50 - decrease 20% (31 March 2016 - 10%) | -                                    | -                      |

#### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company does not have any undrawn or outstanding borrowings at fluctuating rate of interest and hence does not possess any interest rate risk.

### D. Capital management

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The primary objective of the Company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's Adjusted Net Debt to Equity Ratio was as follows.

| Particulars                                | As at 31st March, 2019 | As at 31st March, 2018 |
|--|------------------------|------------------------|
| <b>Total Non-Current Liabilities</b>       | 2,98,00,770            | 3,82,07,617            |
| Less : Cash and Bank Balances              | 5,75,66,301            | 5,99,62,460            |
| <b>Adjusted Net Debt</b>                   | <b>(2,77,65,531)</b>   | <b>(2,17,54,843)</b>   |
| <b>Total Equity</b>                        | <b>2,51,95,93,049</b>  | <b>2,53,25,42,657</b>  |
| Adjusted Net Debt to Adjusted Equity Ratio | -0.01:1 times          | -0.01:1 times          |

**Note 38**
**Related Party Disclosures**

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows:

**A. Subsidiary/ Associate**

| Name of Entity                     |      | Type       |
|------------------------------------|------|------------|
| Apollo Industries & Projects Ltd   | AIPL | Associates |
| AEML Investments Ltd               | AEML | Subsidiary |
| Ammann India Pvt Ltd               | AIPL | Associates |
| Apollo FBC Crushing Equipments Ltd | FBC  | Subsidiary |
| Credo Mineral Industries Ltd       | CMI  | Associates |

**B. Key Managerial Personnel:**

| Name of Key Managerial Personnels |  |                      |
|-----------------------------------|--|----------------------|
| 1                                 | Asit A Patel                           | Managing Director    |
| 2                                 | Anand A Patel                          | Director             |
| 3                                 | Anil T Patel (Ceased w.e.f 08/02/2018) | Director             |
| 4                                 | Navinchandra V Shah                    | Independent Director |
| 5                                 | Manibhai V Patel                       | Director             |
| 6                                 | Kapilaben A Patel                      | Independent Director |
| 7                                 | Nayna A Patel                          | Director             |
| 8                                 | Naman Madhav Patel                     | Independent Director |
| 9                                 | Neha Chikani Shah                      | Company Secretary    |
| 10                                | Bharat Dave                            | CFO                  |

**C. Transactions during the year with related parties:**
**1. Subsidiaries Transactions:-**

| Particulars                        | Purchase of Goods / Jobwork / Assets /Rent/ Reimbursement |           | Sales of Goods/ Assets/Lease Rent/ Reimbursement |              | Loans Given |              | Loans Paid Back |              | Interest / Dividend Income |             | Equity Contribution/ (Disposal) |              |
|------------------------------------|---|-----------|--|--------------|-------------|--------------|-----------------|--------------|----------------------------|-------------|---------------------------------|--------------|
|                                    | 2018-19   | 2017-18   | 2018-19  | 2017-18      | 2018-19     | 2017-18      | 2018-19         | 2017-18      | 2018-19                    | 2017-18     | 2018-19                         | 2017-18      |
| Apollo Industries & Projects Ltd   | -   | -         | -  | -            | 8,51,00,000 | 11,17,00,000 | 7,99,00,000     | 13,63,00,000 | 8,62,73,432                | 8,02,00,842 | -                               | -            |
| AEML Investments Ltd               | 13,18,499   | 34,52,626 | -  | -            | -           | -            | -               | -            | 3,78,00,000                | 3,15,00,000 | -                               | -            |
| Ammann India Pvt Ltd               | 14,43,418   | 27,623    | 3,08,16,584                                      | 62,22,03,005 | -           | -            | -               | -            | -                          | -           | -                               | -            |
| Apollo FBC Crushing Equipments Ltd | -   | -         | -  | -            | -           | -            | -               | -            | -                          | -           | -                               | -            |
| Credo Mineral Industries Ltd       | -   | -         | -  | -            | -           | -            | -               | -            | -                          | 19,16,463   | -                               | -4,03,11,518 |

**2. Key Management Personnel Transactions**

| Particulars                            | Remuneration / Perquisites |           | Dividend Paid |           | Loan Accepted |         | Loans Repaid |         | Interest Paid |         | Director Sitting Fees |         |
|--|----------------------------|-----------|---------------|-----------|---------------|---------|--------------|---------|---------------|---------|-----------------------|---------|
|  | 2018-19                    | 2017-18   | 2018-19       | 2017-18   | 2018-19       | 2017-18 | 2018-19      | 2017-18 | 2018-19       | 2017-18 | 2018-19               | 2017-18 |
| Asit A Patel                           | 1,96,510                   | 9,16,264  | 15,000        | 12,500    | -             | -       | -            | -       | -             | -       | -                     | -       |
| Anand A Patel                          | -                          | -         | 31,77,000     | 26,47,500 | -             | -       | -            | -       | -             | -       | -                     | -       |
| Anil T Patel (Ceased w.e.f 08/02/2018) | -                          | -         | -             | 13,35,313 | -             | -       | -            | -       | -             | -       | -                     | 7,500   |
| Navinchandra V. Shah                   | -                          | -         | 24,300        | 20,250    | -             | -       | -            | -       | -             | -       | 20,000                | 30,000  |
| Manibhai V Patel                       | -                          | -         | 6,07,917      | 5,06,598  | -             | -       | -            | -       | -             | -       | 10,000                | 17,500  |
| Kapilaben A Patel                      | -                          | -         | -             | -         | -             | -       | -            | -       | -             | -       | 10,000                | 15,000  |
| Nayna A Patel                          | -                          | -         | 81,300        | 67,750    | -             | -       | -            | -       | -             | -       | 10,000                | 15,000  |
| Naman Madhav Patel                     | -                          | -         | 15,000        | 6,250     | -             | -       | -            | -       | -             | -       | 20,000                | 25,000  |
| Neha Chikani Shah                      | 8,24,400                   | 7,70,400  | -             | -         | -             | -       | -            | -       | -             | -       | -                     | -       |
| Bharat Dave                            | 10,66,346                  | 10,01,900 | -             | -         | -             | -       | -            | -       | -             | -       | -                     | -       |

As per our Report of even date attached

**For, DJNV & Co.**

Chartered Accountants

FRN : 115145W

**Devang Doctor**

Partner

Membership No. 039833

Place : Ahmedabad

Date : 30.05.2019

**Neha Chikani Shah**

Company Secretary

Mem. No.A25420

**Bharat Dave**

Chief Financial Officer

**For and on behalf of Board of Directors  
Gujarat Apollo Industries Limited**

**Navinchandra V. Shah**

Director

DIN : 03027647

Place : Ahmedabad

Date : 30.05.2019

**Asit A. Patel**

Managing Director

DIN : 00093332

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,  
The **Members of**  
**Gujarat Apollo Industries Limited**

### **Report on the Audit of the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Consolidated Ind AS Financial Statements of **GUJARAT APOLLO INDUSTRIES Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at March 31<sup>st</sup> 2019, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and its associate as at March 31, 2019, their consolidated profit including other comprehensive income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### **Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, and Shareholder's Information but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance including other comprehensive income, Consolidated Cash

Flows and Consolidated Changes in Equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2016, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. That respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which

## GUJARAT APOLLO INDUSTRIES LIMITED

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have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter:**

We did not audit the financial statements and other financial information, in respect of 2 subsidiary including Consolidated Financial Statements of 1 subsidiary (included unaudited figures of associates), whose Ind AS financial statements reflects total assets of Rs 21,707.50 lakh as at 31st March, 2019 and total revenue of Rs.652.79 Lakhs for the year ended on that date. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 43.50 lakh for the year ended March 31, 2019, in respect of 2 associate (included in unaudited figures of 1 associate). These Ind AS financial statement and other financial information have been audited by other auditors, which Ind AS financial statements, other financial information and auditor's reports has been furnished to us by the management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind As Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind As Financial Statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements
  - (d) In our opinion, the aforesaid Consolidated Ind As Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Holding Company and subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India are disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

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Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. There were no pending litigations which would impact the consolidated financial position of the group.
- ii. In our opinion and as per the information and explanation provided to us the Company has not entered into any long-term contracts including derivatives contract, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For, DJNV & Co.**  
**Firm Regn. No. 115145W**  
Chartered Accountants

Date : 30/05/2019  
Place : Ahmedabad

**Devang Doctor**  
Partner  
M. No. 039833

**ANNEXURE – A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON CONSOLIDATED IND AS FINANCIAL STATEMENTS OF GUJARAT APOLLO INDUSTRIES LIMITED - 31<sup>st</sup> MARCH, 2019.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Gujarat Apollo Industries Limited** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls:**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

## **GUJARAT APOLLO INDUSTRIES LIMITED**

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting:**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, DJNV & Co.**  
**Firm Regn. No. 115145W**  
Chartered Accountants

Date : 30/05/2019  
Place : Ahmedabad

**Devang Doctor**  
**Partner**  
**M. No. 039833**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019 (Amount in `)**

| Particulars   | Notes | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
|---|-------|---------------------------|---------------------------|
| <b>ASSETS</b>   |       |                           |                           |
| <b>Non-Current Assets</b>                             |       |                           |                           |
| Property, Plant and Equipment                         | 2     | 37,93,55,140              | 40,74,95,532              |
| Capital Work in Progress                              | 3     | -                         | 22,49,683                 |
| Investment Property                                   | 4     | 1,89,84,695               | 1,67,75,201               |
| Intangible Assets                                     | 2     | 53,92,183                 | 69,77,034                 |
| Investment in Subsidiary, Associate and Joint Venture | 5     | 2,03,30,43,324            | 1,92,85,86,953            |
| Financial Assets                                      |       |                           |                           |
| Investments   | 6     | 6,58,98,000               | 8,30,23,000               |
| Loans & Advances                                      | 7     | 48,43,83,477              | 38,98,35,010              |
| Other Financial Assets                                | 8     | 53,83,297                 | 57,62,128                 |
| <b>Total Non-Current Assets</b>                       |       | <b>2,99,24,40,116</b>     | <b>2,84,07,04,541</b>     |
| <b>Current Assets</b>                                 |       |                           |                           |
| Inventories   | 9     | 20,27,59,700              | 24,01,44,434              |
| Financial Assets                                      |       |                           |                           |
| Investments   | 10    | 1,14,22,323               | 1,88,20,719               |
| Loans & Advances                                      | 11    | 1,39,90,37,319            | 1,34,07,89,730            |
| Trade Receivables                                     | 12    | 10,52,71,820              | 7,35,62,705               |
| Cash and Cash Equivalents                             | 13    | 25,28,38,457              | 28,37,85,496              |
| Other Bank Balances                                   | 13    | 5,51,00,951               | 5,49,91,498               |
| Current Tax Assets (Net)                              | 11A   | 1,73,87,669               | 99,31,173                 |
| Other Current Assets                                  | 14    | 34,98,997                 | 59,98,876                 |
| <b>Total Current Assets</b>                           |       | <b>2,04,73,17,236</b>     | <b>2,02,80,24,631</b>     |
| <b>TOTAL ASSETS</b>                                   |       | <b>5,03,97,57,352</b>     | <b>4,86,87,29,172</b>     |
| <b>EQUITY AND LIABILITIES</b>                         |       |                           |                           |
| <b>Equity</b>   |       |                           |                           |
| Equity Share Capital                                  | 15    | 12,66,19,150              | 12,66,19,150              |
| Other Equity  | 16    | 4,63,96,96,612            | 4,57,16,67,815            |
| <b>Total Equity</b>                                   |       | <b>4,76,63,15,762</b>     | <b>4,69,82,86,965</b>     |
| <b>Liabilities</b>                                    |       |                           |                           |
| <b>Non-Current Liabilities</b>                        |       |                           |                           |
| Deferred Tax Liabilities (Net)                        | 17    | 2,28,13,770               | 3,21,72,617               |
| <b>Total Non-Current Liabilities</b>                  |       | <b>2,28,13,770</b>        | <b>3,21,72,617</b>        |
| <b>Current Liabilities</b>                            |       |                           |                           |
| Financial Liabilities                                 |       |                           |                           |
| Borrowings  | 19    | 17,20,69,990              | 10,01,62,581              |
| Trade Payables  | 20    |                           |                           |
| Dues of MSME  |       | 1,55,87,950               | -                         |
| Dues of other than MSME                               |       | 4,27,16,542               | 2,88,19,816               |
| Net Employee Benefit Liabilities                      | 18    | 13,43,061                 | 23,73,397                 |
| Other Current Liabilities                             | 21    | 1,89,10,277               | 69,13,796                 |
| <b>Total Current Liabilities</b>                      |       | <b>25,06,27,820</b>       | <b>13,82,69,590</b>       |
| <b>Total Liabilities</b>                              |       | <b>27,34,41,590</b>       | <b>17,04,42,207</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   |       | <b>5,03,97,57,352</b>     | <b>4,86,87,29,172</b>     |
| Significant Accounting Policies                       | 1     |                           |                           |

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

**For, DJNV & Co.**

Chartered Accountants

FRN : 115145W

**Devang Doctor**

Partner

Membership No. 039833

Place : Ahmedabad

Date : 30.05.2019

**Neha Chikani Shah**

Company Secretary

Mem. No. A25420

**Bharat Dave**

Chief Financial Officer

**For and on behalf of Board of Directors**

**Gujarat Apollo Industries Limited**

**Navinchandra V. Shah** **Asit A. Patel**

Director

DIN : 03027647

Managing Director

DIN : 00093332

Place : Ahmedabad

Date : 30.05.2019

# GUJARAT APOLLO INDUSTRIES LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

| Particulars   | Notes                    | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `)                           | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|---|--------------------------|--|--|
| <b>INCOME</b>   |                          |  |  |
| Revenue from Operations   | 22                       | 30,04,90,567   | 68,44,04,505   |
| Other Income  | 23                       | 4,92,96,076  | 30,47,27,530   |
| Finance Income  | 24                       | 17,78,33,047   | 16,92,51,340   |
| <b>TOTAL INCOME</b>   |                          | <b>52,76,19,690</b>  | <b>1,15,83,83,375</b>                                      |
| <b>EXPENSES</b>   |                          |  |  |
| Cost of Materials Consumed  | 25                       | 20,89,30,246   | 56,37,09,147   |
| Changes in Inventories  | 26                       | 3,18,68,608  | (53,12,058)  |
| Employee Benefit Expenses   | 27                       | 3,82,73,881  | 5,87,19,695  |
| Financial Costs   | 28                       | 1,23,80,720  | 1,74,55,871  |
| Depreciation & Amortization Expenses  | 2                        | 2,57,01,939  | 2,70,26,156  |
| Other Expenses  | 29                       | 9,52,09,602  | 16,60,81,348   |
| <b>TOTAL EXPENSES</b>   |                          | <b>41,23,64,996</b>  | <b>82,76,80,159</b>  |
| <b>Profit Before Exceptional Items and Tax</b>  |                          | <b>11,52,54,694</b>  | <b>33,07,03,216</b>  |
| Exceptional Item  |                          | (3,17,50,000)  | (1,70,06,000)  |
| <b>Profit Before Tax</b>  |                          | <b>8,35,04,694</b>   | <b>31,36,97,216</b>  |
| <b>TAX EXPENSE</b>  |                          |  |  |
| Current Tax   |                          | 1,97,81,000  | 3,77,89,710  |
| Deferred Tax  |                          | (83,25,847)  | 3,57,60,270  |
| MAT Credit Entitlement  |                          | -  | 1,16,155   |
| <b>Profit After Tax for the Period</b>  |                          | <b>7,20,49,541</b>   | <b>24,00,31,081</b>  |
| <b>Other Comprehensive Income</b>   |                          |  |  |
| (i) Items that will not be Reclassified to Profit or Loss                                   |                          |  |  |
| <i>Changes in Fair Value of FVTOCI Equity Instruments</i>                                   |                          | (56,84,529)  | (12,03,36,517)   |
| <i>Remeasurement of Post-Employment Benefit Obligations</i>                                 |                          | -  | 1,70,113   |
| (ii) <i>Income Tax relating to these Items</i>  |                          | -  | -  |
| <b>Other Comprehensive Income for the Period (Net of Tax)</b>                               |                          | <b>(56,84,529)</b>   | <b>(12,01,66,404)</b>                                      |
| <b>Total Comprehensive Income for the Period</b>  |                          | <b>6,63,65,012</b>   | <b>11,98,64,677</b>  |
| Add : Share in Net Profit of Associate Concern  |                          | 11,94,56,371   | 7,48,54,340  |
| Less : Share of Non Controlling Interest  |                          | -  | -  |
| <b>Total Comprehensive Income for the Year<br/>After Non Controlling Interest</b>           |                          | <b>18,58,21,383</b>  | <b>19,47,19,017</b>  |
| <b>Earning Per Equity Share (EPS) for Profit for the Period<br/>(Face Value of Rs.10/-)</b> |                          |  |  |
| Basic (Rs.)   |                          | 15.12  | 24.23  |
| Diluted (Rs.)   |                          | 15.12  | 24.23  |
| Significant Accounting Policies   |                          |  |  |
| The accompanying notes are integral part of the financial statements.                       |                          |  |  |
| As per our Report of even date attached   |                          |  |  |
| <b>For, DJNV &amp; Co.</b>  |                          | <b>For and on behalf of Board of Directors<br/>Gujarat Apollo Industries Limited</b> |  |
| Chartered Accountants   |                          |  |  |
| FRN : 115145W   |                          |  |  |
| <b>Devang Doctor</b>  | <b>Neha Chikani Shah</b> | <b>Navinchandra V. Shah</b>  | <b>Asit A. Patel</b>                                       |
| Partner   | Company Secretary        | Director   | Managing Director  |
| Membership No. 039833   | Mem. No. A25420          | DIN : 03027647   | DIN : 00093332   |
| Place : Ahmedabad   | <b>Bharat Dave</b>       | Place : Ahmedabad  |  |
| Date : 30.05.2019   | Chief Financial Officer  | Date : 30.05.2019  |  |

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**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**


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| Particulars  | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|--|--|--|
| <b>A. Cash Flow From Operating Activities</b>  |  |  |
| <b>Net Profit Before Tax and Extraordinary Items<br/>(As Per Statement of Profit and Loss)</b> | 11,52,54,694   | 33,07,03,216   |
| <b>Adjustments for Non-Cash/ Non-Trade Items:</b>  |  |  |
| Depreciation & Amortization Expenses   | 2,57,01,939  | 2,70,26,156  |
| Adjustment for Previous Years for Associate Concerns   | -  | (10,22,99,214)   |
| Exceptional Non Cash Item  | (3,17,50,000)  | -  |
| (Profit) / Loss on Sale of Investment  | (61,13,000)  | (18,59,72,715)   |
| Bad Debts Written off  | 28,88,977  | 1,99,79,900  |
| Net Gain / (Loss) on Foreign Currency Translation  | (6,03,519)   | (10,91,725)  |
| Loss on Sale of Asset  | 72,33,419  | 59,48,008  |
| Other Comprehensive Income   | (92,97,642)  | (13,71,72,404)   |
| Dividend Income  | (3,78,00,000)  | (10,94,11,739)   |
| Interest Expenses  | 1,23,80,720  | 1,51,87,974  |
| Interest Income  | (17,78,33,047)   | (16,92,51,340)   |
| <b>Operating Profits Before Working Capital Changes</b>  | <b>(9,99,37,459)</b>                                       | <b>(30,63,53,882)</b>                                      |
| <b>Adjusted For:</b>   |  |  |
| (Increase) / Decrease in Trade Receivables   | (3,45,98,092)  | (20,45,596)  |
| Increase / (Decrease) in Trade Payables  | 2,94,84,676  | (5,13,13,199)  |
| (Increase) / Decrease in Inventories   | 3,73,84,734  | 2,95,65,515  |
| Increase / (Decrease) in Other Current Liabilities   | 1,09,66,145  | (3,47,60,177)  |
| (Increase) / Decrease in Other Current Assets  | (49,56,617)  | 1,22,35,060  |
| (Increase) / Decrease in Other Bank Balance  | (1,09,453)   | 23,02,239  |
| Increase / (Decrease) in Provision   | -  | (55,81,356)  |
| <b>Cash Generated From Operations</b>  | <b>(6,17,66,066)</b>                                       | <b>(35,59,51,396)</b>                                      |
| Income Tax (Paid) / Refund   | 1,97,81,000  | (4,43,50,776)  |
| <b>Net Cash Flow From Operating Activities<br/>Before Extraordinary Items</b>                  | <b>(8,15,47,066)</b>                                       | <b>(40,03,02,172)</b>                                      |
| Proceeds From Extraordinary Items  | -  | -  |
| Payment For Extraordinary Items  | -  | -  |
| <b>Net Cash Flow From Operating Activities (A)</b>   | <b>(8,15,47,066)</b>                                       | <b>(40,03,02,172)</b>                                      |
| <b>B. Cash Flow From Investing Activities</b>  |  |  |
| Purchase of Tangible Assets  | (60,57,972)  | (1,26,94,821)  |
| Purchase of Intangible Assets  | (8,56,800)   | (6,63,802)   |
| Sale of Tangible / Intangible Assets   | 37,44,846  | -  |
| Investments (Purchased)/ Sold  | 4,56,36,396  | 65,84,48,498   |
| Interest Received  | 17,78,33,047   | 16,92,51,340   |
| Loans Given  | (15,24,17,225)   | (18,61,33,615)   |
| Dividend Income  | 3,78,00,000  | 10,94,11,739   |
| Gain on Sale of Investment   | -  | 18,59,72,715   |
| <b>Net Cash Used in Investing Activities (B)</b>   | <b>10,56,82,292</b>  | <b>92,35,92,054</b>  |

# GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars   | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|---|--|--|
| <b>C. Cash Flow From Financing Activities</b>                             |  |  |
| Finance Cost  | (1,23,80,720)  | (1,51,87,974)  |
| Buy Back of Shares  | -  | (17,91,82,823)   |
| Net Gain / (Loss) on Foreign Currency Translation                         | 6,03,519   | 10,91,725  |
| Dividend Paid / Tax on Dividend   | (11,52,12,533)   | -  |
| Increase in / (Repayment) of Short Term Borrowings                        | 7,19,07,409  | (29,17,96,655)   |
| <b>Net Cash Used in Financing Activities(C)</b>                           | <b>(5,50,82,325)</b>                                       | <b>(48,50,75,727)</b>                                      |
| <b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b> | <b>(3,09,47,101)</b>                                       | <b>3,82,14,156</b>   |
| <b>E. Cash &amp; Cash Equivalents at Beginning of period</b>              | <b>28,37,85,498</b>  | <b>24,55,71,342</b>  |
| <b>F. Cash &amp; Cash Equivalents at End of period</b>                    | <b>25,28,38,457</b>  | <b>28,37,85,498</b>  |

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

**For, DJNV & Co.**

Chartered Accountants

FRN : 115145W

**Devang Doctor**

Partner

Membership No. 039833

Place : Ahmedabad

Date : 30.05.2019

**Neha Chikani Shah**

Company Secretary

Mem. No.A25420

**Bharat Dave**

Chief Financial Officer

**For and on behalf of Board of Directors  
Gujarat Apollo Industries Limited**

**Navinchandra V. Shah**

Director

DIN : 03027647

Place : Ahmedabad

Date : 30.05.2019

**Asit A. Patel**

Managing Director

DIN : 00093332

**STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE PERIOD ENDED ON 31ST MARCH 2019**
**A. Equity Share Capital**

| Particulars   | No. of Shares      | Amount              |
|---|--------------------|---------------------|
| <b>Issued, Subscribed and Paid up Share Capital</b> |                    |                     |
| Equity Shares of Rs. 10/- each fully Paid up        |                    |                     |
| <b>As at 1st April, 2017</b>                        | <b>1,36,60,000</b> | <b>13,66,00,000</b> |
| Equity Shares issued during the year                | (9,98,085)         | (99,80,850)         |
| <b>As at 31st March, 2018</b>                       | <b>1,26,61,915</b> | <b>12,66,19,150</b> |
| Changes in Equity Share Capital                     | -                  | -                   |
| <b>As at 31st March, 2019</b>                       | <b>1,26,61,915</b> | <b>12,66,19,150</b> |

**B. Other Equity**

| Particulars  | Reserves & Surplus         |                       |                       | Other Comprehensive Income | Total Equity          |
|--|----------------------------|-----------------------|-----------------------|----------------------------|-----------------------|
|  | Capital Redemption Reserve | General Reserve       | Retained Earnings     |                            |                       |
| <b>Balance at April 1, 2017</b>                                  | <b>2,91,50,000</b>         | <b>2,03,38,59,018</b> | <b>2,56,82,31,028</b> | <b>9,85,09,190</b>         | <b>4,72,97,49,236</b> |
| Changes in accounting policy/<br>prior period errors             | -                          | -                     | -                     | -                          | -                     |
| <b>Restated balance at the Beginning of the Reporting Period</b> | <b>2,91,50,000</b>         | <b>2,03,38,59,018</b> | <b>2,56,82,31,028</b> | <b>9,85,09,190</b>         | <b>4,72,97,49,236</b> |
| Profit for the year  | -                          | -                     | 25,70,37,082          | -                          | 25,70,37,082          |
| Other comprehensive income for the year                          | -                          | -                     | -                     | (12,01,65,404)             | (12,01,65,404)        |
| <b>Total comprehensive income for the year</b>                   | <b>2,91,50,000</b>         | <b>2,03,38,59,018</b> | <b>2,82,52,68,109</b> | <b>(2,16,56,213)</b>       | <b>4,86,66,20,913</b> |
| Issue of Equity Shares   | -                          | -                     | -                     | -                          | -                     |
| <b>Utilisation during the Year</b>                               |                            |                       |                       |                            |                       |
| Transfer During the year   | 99,80,850                  | (99,80,850)           | -                     | -                          | -                     |
| Buy Back Of Shares   | -                          | 99,80,850             | -                     | -                          | 99,80,850             |
| Premium Paid On Buyback of Share                                 | -                          | (17,91,82,823)        | -                     | -                          | (17,91,82,823)        |
| Exceptional Items  | -                          | -                     | (1,70,06,000)         | -                          | (1,70,06,000)         |
| Tax On Proposed Dividend   | -                          | -                     | (31,911)              | -                          | (31,911)              |
| Tax On Interim Dividend  | -                          | -                     | (64,13,000)           | -                          | (64,13,000)           |
| Adjustment for previous years for Associate Concerns             | -                          | -                     | (10,23,00,214)        | -                          | (10,23,00,214)        |
| Any Other Change   | -                          | -                     | -                     | -                          | -                     |
| <b>Balance at March 31, 2018</b>                                 | <b>3,91,30,850</b>         | <b>1,85,46,76,195</b> | <b>2,69,95,16,984</b> | <b>(2,16,56,213)</b>       | <b>4,57,16,67,816</b> |
| Changes in accounting policy /<br>prior period errors            | -                          | -                     | -                     | -                          | -                     |
| <b>Restated balance at the beginning of the reporting period</b> | <b>3,91,30,850</b>         | <b>1,85,46,76,195</b> | <b>2,69,95,16,984</b> | <b>(2,16,56,213)</b>       | <b>4,57,16,67,816</b> |
| Profit for the Year  | -                          | -                     | 19,15,05,912          | -                          | 19,15,05,912          |
| Other Comprehensive Income for the Year                          | -                          | -                     | -                     | (82,64,642)                | (82,64,642)           |
| <b>Total Comprehensive Income for the Year</b>                   | <b>3,91,30,850</b>         | <b>1,85,46,76,195</b> | <b>2,89,10,22,896</b> | <b>(2,99,20,855)</b>       | <b>4,75,49,09,085</b> |
| Issue of Equity Shares   | -                          | -                     | -                     | -                          | -                     |
| <b>Utilisation during the Year</b>                               |                            |                       |                       |                            |                       |
| Transfer During the year   | -                          | -                     | -                     | -                          | -                     |
| Buy Back Of Shares   | -                          | -                     | -                     | -                          | -                     |
| Premium Paid On Buyback of Share                                 | -                          | -                     | -                     | -                          | -                     |
| Dividend Paid  | -                          | -                     | (10,74,40,533)        | -                          | (10,74,40,533)        |
| Tax On Dividend Paid   | -                          | -                     | (77,72,000)           | -                          | (77,72,000)           |
| Adjustment for previous years for Associate Concerns             | -                          | -                     | -                     | -                          | -                     |
| Any Other Change   | -                          | -                     | -                     | -                          | -                     |
| <b>Balance at March 31, 2019</b>                                 | <b>3,91,30,850</b>         | <b>1,85,46,76,195</b> | <b>2,77,58,10,363</b> | <b>(2,99,20,855)</b>       | <b>4,63,96,96,552</b> |

# GUJARAT APOLLO INDUSTRIES LIMITED

## Notes to the Consolidated Financial Statements for the Financial Year Ended 31st March, 2019

### Note 1 Statement of Significant Accounting Policies and Practices

#### A. Reporting Entity

Gujarat Apollo Industries Limited (APOLLO) was incorporated as a Joint Venture between Apollo Earthmovers Pvt Ltd and Gujarat Industrial Investment Corporation Limited (GIIC) on 7th October, 1986. The original name - Gujarat Apollo Equipments Limited was changed to Gujarat Apollo Industries Limited with effect from 28th November, 2006. Your company is primarily engaged in the manufacturing of different types of Mining & Road Construction and Maintenance Machinery catering to the needs of the majority of the mining companies in India and many parts of the world. Your company has consistently offered of latest technology products. 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.

#### B. Basis of Preparation

##### B.1. Statement of Compliance with Ind AS

These Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

##### B.2. Functional and Presentation Currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the functional currency. The amounts in the financial statements are presented in Indian Rupees rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

##### B.3. Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following items:

| ITEMS  | MEASUREMENT BASIS   |
|--|---|
| 1) Investments in Mutual Funds   | Fair value  |
| 2) Employee Defined Benefit Plans  | Plan Assets measured at fair value less present value of defined benefit obligation |
| 3) Certain Financial Assets & Liabilities (Including Derivative Instruments) | Fair value  |

##### B.4. Use of Estimates and Judgements

In preparing these Consolidated Financial Statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

###### **Estimates**

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognised prospectively.

###### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the respective note.

###### **Assumptions and Estimation Uncertainties:**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the respective note.

## **B.5. Measurement of Fair Values**

The Group has established control framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the respective note.

## **C. Significant Accounting policies**

### **C.1. Basis for Consolidation**

#### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

#### **Transactions Eliminated on Consolidation**

The Consolidated Financial Statements have been prepared on the following basis:

- I. The Consolidated Financial Statements of the Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Indian Accounting Standard-(Ind AS).
- II. In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the year end; any exchange difference arising on same is recognized in "Foreign Currency Translation Reserve".
- III. Non-controlling interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Group.
- IV. Non-controlling interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Group's Shareholder.
- V. As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the Cnsolidated Financial Statements.

### **C.2. Foreign Currency**

Transactions in foreign currencies are translated into the functional currency of the Group at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of

transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary-assets and liabilities denominated in foreign currency at year end exchange rate are generally recognised in profit or loss. A Monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognised in the profit or loss, except exchange differences arising from the translation of qualifying cash flow hedges to the extent hedges are effective which are recognised in Other Comprehensive Income (OCI).

### C.3. Financial Instruments

#### 1. Financial Assets

##### *i) Classification*

The Group classifies its financial assets in the following measurement categories:

- Those measured at amortized cost and
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss)The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.
- A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :
  - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

##### *ii) Measurement*

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

##### *iii) Subsequent Measurement and Gains and Losses*

- Financial assets at FVTPL  
These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.
- Financial assets at amortized cost  
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

##### *iv) Derecognition*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**2. Financial Liabilities**

***i) Classification, Subsequent Measurement and Gains and Losses***

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

***ii) Derecognition***

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

**3. Offsetting**

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**4. Investment in Subsidiaries**

Investment in subsidiaries is carried at cost in the separate financial statements.

**D. Property, Plant and Equipment**

***i. Recognition and Measurement***

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Capital Work-in-progress includes cost of assets at sites and constructions expenditure.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

## ii. **Depreciation/Amortisation**

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

| <b>Name of Subsidiaries</b>         | <b>Basis of Depreciation</b> |
|-------------------------------------|------------------------------|
| Apollo FBC Crushing Equipments Ltd. | Straight Line Method         |
| AEML Investments Ltd.               | Straight Line Method         |

## iii. **Derecognition**

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

## E. **Intangible Assets**

### i. **Initial Recognition and Classification**

Goodwill is not amortised. It is tested annually for impairment. Other intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### ii. **Subsequent Expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

### iii. **Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives of software are 6 years. Goodwill is not amortized and is tested for impairment annually. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### iv. **Derecognition**

An item of an intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

## F. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress is valued at actual cost of production. Cost of raw materials, stores and spares are determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Excess/shortages if any, arising on physical verification are absorbed in the respective consumption accounts.

## G. **Impairment**

### i. **Impairment of Financial Assets**

The Group recognizes loss allowances for financial assets measured at amortized cost Using expected credit loss model. At each reporting date, the Group assesses whether financial assets carried at

amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. For trade receivables, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial assets, the Group measures loss allowances at an amount equal to twelve months expected credit losses unless there has been a significant increase in credit risk from initial recognition in which those are measured at lifetime expected credit risk.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial asset. Twelve months expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full.

#### ***Measurement of Expected Credit Losses***

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of Allowance for Expected Credit Losses in the Balance Sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### ***Presentation of Allowance for expected Credit Losses in the Balance Sheet***

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### ***Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines (on the basis of availability of the information) that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### ***ii. Impairment of Non-Financial Assets***

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## GUJARAT APOLLO INDUSTRIES LIMITED

### H. The list of Subsidiary Companies included in consolidation with Gujarat Apollo Industries Limited

GAIL and GAIL's shareholding therein is as under:

| Name of Subsidiaries                | Country of Incorporation | Ownership Interest held by the group |           | Proportion of ownership interests and voting rights held by non-controlling interests |           |
|-------------------------------------|--------------------------|--------------------------------------|-----------|---|-----------|
|                                     |                          | 31/3/2019                            | 31/3/2018 | 31/3/2019   | 31/3/2018 |
| Apollo FBC Crushing Equipments Ltd. | India                    | 100%                                 | 100%      | -   | -         |
| AEML Investments Ltd                | India                    | 100%                                 | 100%      | -   | -         |

### I. Employee Benefits

#### i. Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

#### ii. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### iii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using market yields at the end of reporting period on government bonds and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the Asset Ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### J. Provisions (other than Employee Benefits), Contingent Liabilities and Contingent Assets

A provision is recognized when the Group has a present legal 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 reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the Current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements.

A contingent asset is neither recognized nor disclosed if inflow of economic benefit is probable.

## K. Revenue From Contract With Customers

Ind AS 115 was issued on 28<sup>th</sup> March, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1<sup>st</sup> April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The company elected to apply the standard to all contracts as at 1<sup>st</sup> April, 2018. However, the application of Ind AS 115 does not have any significant impact

### (A) **Sale of Goods:**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The normal credit term is 1 to 180 days upon delivery. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

### (B) **Rendering of Services:**

Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/arrangements with the concerned parties.

### (C) **Other Income:**

Export entitlements (arising out of Duty Drawback, Merchandise Export from India) are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Operating revenues of subsidiaries are considered to be operating revenues in the Consolidated Financial Statements.

## I. Income Tax

The Group and other Indian subsidiaries:

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### i. **Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **Foreign Companies:**

Foreign Companies recognize tax liabilities and assets in accordance with the local laws.

### ii. **Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that

future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realised simultaneously.

### **M. Cash and Cash Equivalents**

Cash and Cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

### **N. Borrowing Cost**

Borrowing Cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### **O. Lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition. However, lease classification is determined at the inception of lease.

#### **Lease accounting**

##### ***As a lessee***

##### ***Finance lease***

At the commencement of the lease term, the Company recognizes finance leases as assets and liabilities in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. The discount rate used in calculating the present value is the interest rate implicit in the lease or the Company's incremental borrowing rate. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

##### ***Operating lease***

Lease payments under an operating lease are recognized as an expenses on a straight-line basis over the lease term unless either:

- A. another systematic basis is more representative of the time pattern of the user's benefit; or
- B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

##### ***As a lessor***

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**Finance lease**

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Operating lease**

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognized in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- A. another systematic basis is more representative of the time pattern of the user's benefit; or
- B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**P. Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Group by the weighted average number of Equity Shares outstanding during the year. Diluted earnings per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

**Q. Cash Flow Statement**

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**R. Events Occurring after the reporting date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitments affecting the financial position are disclosed in the Director's Report.

Note : 2 Property, Plant & Equipment

| PARTICULARS                                | GROSS BLOCK         |                                |                         | ACCUMULATED DEPRECIATION |                     |                     | NET BLOCK               |                     |                     |
|--|---------------------|--------------------------------|-------------------------|--------------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|
|  | As at<br>01.04.2018 | Addition<br>during<br>the year | Disposal/<br>Adjustment | As at<br>31.03.2019      | As at<br>01.04.2018 | Dep For<br>the Year | Disposal/<br>Adjustment | As at<br>31.03.2019 | As at<br>31.03.2018 |
| 1 Freehold Land                            | 14,51,86,423        | -                              | -                       | 14,51,86,423             | -                   | -                   | -                       | 14,51,86,423        | 14,51,86,423        |
| 2 Factory Building                         | 9,27,63,172         | -                              | 1,72,73,094             | 7,54,90,078              | 2,42,15,728         | 23,94,386           | 1,05,09,434             | 5,93,89,398         | 6,85,47,444         |
| 3 Plant & Machinery                        | 25,88,79,678        | 39,31,904                      | 9,55,823                | 26,18,55,759             | 11,60,07,574        | 1,55,91,696         | 9,55,823                | 13,12,12,312        | 14,28,72,104        |
| 4 Office Equipment                         | 1,50,10,693         | 45,313                         | 1,38,190                | 1,49,17,816              | 1,23,76,026         | 5,48,942            | -                       | 1,29,24,968         | 26,34,667           |
| 5 Office Premises                          | 2,67,31,063         | 1,77,500                       | -                       | 2,69,08,563              | 17,84,267           | 4,24,010            | -                       | 22,08,277           | 2,49,46,796         |
| 6 Furniture & Fixture                      | 1,91,53,860         | -                              | 1,18,752                | 1,90,35,108              | 85,48,544           | 13,43,082           | 37,467                  | 98,54,159           | 1,06,05,316         |
| 7 Computer & Data<br>Processing Equipments | -                   | 5,65,283                       | -                       | 5,65,283                 | -                   | 3,57,939            | 87,197                  | 2,70,742            | -                   |
| 8 Vehicles                                 | 1,80,78,190         | 7,52,000                       | 54,98,804               | 1,33,31,386              | 81,83,149           | 15,65,760           | 14,16,477               | 49,98,954           | 98,95,041           |
| 9 Electrical Installation                  | 52,42,452           | -                              | -                       | 52,42,452                | 24,34,711           | 4,08,311            | -                       | 28,43,022           | 28,07,741           |
| <b>Total</b>                               | <b>58,10,45,531</b> | <b>54,71,999</b>               | <b>2,39,84,663</b>      | <b>56,25,32,867</b>      | <b>17,35,49,999</b> | <b>2,26,34,126</b>  | <b>1,30,06,398</b>      | <b>18,31,77,727</b> | <b>40,74,95,532</b> |

Note-2  
Intangible Assets

| PARTICULARS                 | GROSS BLOCK         |                                |                         | ACCUMULATED DEPRECIATION |                     |                     | NET BLOCK               |                     |                     |
|-----------------------------|---------------------|--------------------------------|-------------------------|--------------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|
|                             | As at<br>01.04.2018 | Addition<br>during<br>the year | Disposal/<br>Adjustment | As at<br>31.03.2019      | As at<br>01.04.2018 | Dep For<br>the Year | Disposal/<br>Adjustment | As at<br>31.03.2019 | As at<br>31.03.2018 |
| 1 Capitalized Software      | 64,18,880           | 8,56,800                       | -                       | 72,75,680                | 49,13,772           | 5,18,285            | -                       | 54,32,057           | 18,43,623           |
| 2 Technical Knowhow         | 2,66,96,463         | -                              | -                       | 2,66,96,463              | 2,28,39,173         | 14,26,450           | -                       | 2,42,65,623         | 24,30,840           |
| 3 Goodwill on Consolidation | 19,87,663           | -                              | -                       | 19,87,663                | 3,73,027            | 4,96,916            | -                       | 8,69,943            | 11,17,720           |
| <b>TOTAL</b>                | <b>3,51,03,006</b>  | <b>8,56,800</b>                | <b>-</b>                | <b>3,59,59,806</b>       | <b>2,81,25,972</b>  | <b>24,41,651</b>    | <b>-</b>                | <b>3,05,67,623</b>  | <b>69,77,034</b>    |

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**


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| Particulars                              | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|--|--|--|
| <b>Note 3 : Capital Work in Progress</b> |  |  |
| Capital Work in Progress                 | -  | 22,49,683                                  |
| <b>Total Capital Work in Progress</b>    | <b>-</b>                                   | <b>22,49,683</b>                           |
| <b>Note : 4 : Investment Property</b>    |  |  |
| Land                                     | 33,01,270                                  | 33,01,270                                  |
| Building (net of depreciation)           | 1,56,83,425                                | 1,34,73,931                                |
| <b>Total Investment Property</b>         | <b>1,89,84,695</b>                         | <b>1,67,75,201</b>                         |

**Note : 5 : Investments in Associates and Joint Ventures**
**Non-Current**
**A. Investments in Equity Shares of**
**Associate and Joint Ventures (Measured at Cost)**

|  |                |                |
|--|----------------|----------------|
| C.Y. 26,77,899 (P.Y. 26,77,899) Equity Shares of Rs. 10 each of Ammann India Pvt Ltd                 | 45,33,50,000   | 45,33,50,000   |
| C.Y. 46,83,010 (P.Y. 46,83,010) Equity Shares of Rs. 10 each of Apollo Industries & Project Ltd.     | 3,12,29,000    | 3,12,29,000    |
| C.Y. 1,50,57,925 (P.Y. 1,50,57,925) Equity Shares of Rs. 10 each of Credo Mineral Industries Limited | 26,40,28,147   | 26,40,28,147   |
| C.Y. 56,10,000 (P.Y. 56,10,000) Equity Shares of Rs. 10 each of Apollo Agro Industries Ltd.          | 5,14,30,000    | 5,14,30,000    |
| M B Stone Pvt Ltd (P.Y. 5,90,160 Equity Shares of Rs. 10 each)                                       | -              | 1,50,00,000    |
| Accumulated Shares of Profits in Associates / JV   | 1,23,30,06,177 | 1,11,35,49,806 |

**Total Non-Current Investments in**
**Associates and Joint Ventures**

|                       |                       |
|-----------------------|-----------------------|
| <b>2,03,30,43,324</b> | <b>1,92,85,86,953</b> |
|-----------------------|-----------------------|

**Note : 6 : Investments**
**Non-Current**
**A. Investments in Equity Shares Others**

|  |             |             |
|--|-------------|-------------|
| C.Y. 6,00,000 (P.Y. 6,00,000) Equity Shares of Rs. 10 each of Apollo Screens Pvt Ltd           | 27,12,000   | 24,12,000   |
| C.Y. 9,00,000 (P.Y. 9,00,000) Equity Shares of Rs. 10 each of Sky India Infrastructure Pvt Ltd | 88,02,000   | 90,90,000   |
| C.Y. 1,80,000 (P.Y. 1,80,000) Equity Shares of Rs. 10 each of Tribhuvan Industries Ltd         | 25,36,000   | 24,35,000   |
| C.Y. 11,24,799 (P.Y. 18,74,799) Equity Shares of Rs. 10 each of Techno Industries Ltd          | 4,57,46,000 | 6,90,86,000 |
| C.Y. 5,50,000 Equity Shares of Rs. 10 each of M B Stone Pvt Ltd                                | 61,02,000   | -           |

**Total Investments**

|                    |                    |
|--------------------|--------------------|
| <b>6,58,98,000</b> | <b>8,30,23,000</b> |
|--------------------|--------------------|

## GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars   | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|---|--|--|
| <b>Note : 7 : Loans &amp; Advances</b>              |  |  |
| <b>Long term Loans and Advances</b>                 |  |  |
| Sundry Loans  | 48,37,05,865                               | 38,92,21,882                               |
| Sundry Deposits                                     | 6,77,612                                   | 6,13,128                                   |
| <b>Total Loans and Advances</b>                     | <b>48,43,83,477</b>                        | <b>38,98,35,010</b>                        |
| <b>Note : 8 : Other Financial Assets</b>            |  |  |
| <b>Non-Current</b>                                  |  |  |
| Capital Advances                                    | 47,50,000                                  | 47,50,000                                  |
| <b>Advances other than Capital Advances</b>         |  |  |
| Security Deposits                                   | 6,33,297                                   | 10,12,128                                  |
| <b>Total Non-Current Other Financial Assets</b>     | <b>53,83,297</b>                           | <b>57,62,128</b>                           |
| <b>Note : 9 : Inventories</b>                       |  |  |
| Raw Material  | 9,78,74,297                                | 10,62,68,313                               |
| Stores and Tools                                    | 46,66,427                                  | 67,44,840                                  |
| Scrap   | 8,12,987                                   | 13,63,159                                  |
| Semi Finished Goods                                 | 8,96,78,343                                | 11,43,50,566                               |
| Finished Goods                                      | 97,27,646                                  | 1,14,17,556                                |
| <b>Total Inventories</b>                            | <b>20,27,59,700</b>                        | <b>24,01,44,434</b>                        |
| <b>Note : 10 : Investments</b>                      |  |  |
| <b>Current</b>                                      |  |  |
| <b>Investment in Units of Mutual Funds - Quoted</b> |  |  |
| No. of Unit - C.Y. 25,94,037 (P.Y. 25,94,037)       |  |  |
| Piramal Mutual Fund                                 | 1,14,22,323                                | 1,88,20,719                                |
| Measured at FVTOCI                                  |  |  |
| <b>Total Current Investments</b>                    | <b>1,14,22,323</b>                         | <b>1,88,20,719</b>                         |
| <b>Note : 11 : Loans &amp; Advances</b>             |  |  |
| <b>Current (Measured at Amortised Cost)</b>         |  |  |
| <b>Inter-Corporate Deposits in Others :</b>         |  |  |
| Inter-Corporate Deposits - Given                    | 1,34,66,69,025                             | 1,24,25,61,411                             |
| Advances Recoverable in Cash or Kind                | 1,96,99,266                                | 5,52,68,342                                |
| Balance with Statutory Bodies / Govt Authorities    | 3,21,06,937                                | 3,90,39,784                                |
| Interest Accrued on Investment/ Loans/ Advance      | -  | 1,876                                      |
| Prepaid Expenses                                    | 3,84,091                                   | 7,26,230                                   |
| Other Advances                                      | 1,78,000                                   | 31,92,087                                  |
| <b>Total Current Loans &amp; Advances</b>           | <b>1,39,90,37,319</b>                      | <b>1,34,07,89,730</b>                      |
| <b>Note : 11A : Current Tax Assets (Net)</b>        |  |  |
| Current Tax Assets (Net)                            | 1,73,87,669                                | 99,31,173                                  |
| <b>Total Current Tax Assets (Net)</b>               | <b>1,73,87,669</b>                         | <b>99,31,173</b>                           |
| <b>Note 12 : Trade Receivables</b>                  |  |  |
| Considered Good                                     | 10,52,71,819                               | 7,35,62,705                                |
| Considered Doubtful                                 | -  | 27,18,375                                  |
| Provision for Doubtful Debts                        | -  | (27,18,375)                                |
| <b>Total Trade Receivables</b>                      | <b>10,52,71,819</b>                        | <b>7,35,62,705</b>                         |

| Particulars   | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|---|--|--|
| <b>Note 13 : Cash and Cash Equivalents &amp; Other Bank Balances</b>  |  |  |
| <b>Cash and Cash Equivalents</b>  |  |  |
| <b>Balances with banks:</b>   |  |  |
| Current Accounts  | 44,29,886                                  | 1,34,99,541                                |
| Fixed Deposits  | 24,80,00,000                               | 27,00,00,000                               |
| <b>Cash on Hand:</b>  |  |  |
| Cash on hand  | 4,08,572                                   | 2,85,955                                   |
| <b>Total Cash and Cash Equivalents</b>  | <b>25,28,38,458</b>                        | <b>28,37,85,496</b>                        |
| <b>Other Bank Balances</b>  |  |  |
| Margin Money Deposits   | 15,35,000                                  | 10,50,000                                  |
| Bank Deposit with more than 3 months of maturity  | 5,00,00,000                                | 5,00,00,000                                |
| Unclaimed Dividends Bank  | 35,65,951                                  | 39,41,498                                  |
| <b>Total Other Bank Balances</b>  | <b>5,51,00,951</b>                         | <b>5,49,91,498</b>                         |
| <b>Note 14 : Other Current Assets</b>   |  |  |
| Deposit in Sardar Sarovar Narmada Nigam Limited   | 4,67,680                                   | 3,16,000                                   |
| MAT Credit Entitlement  | 56,82,876                                  | 1,29,33,551                                |
| Current Year Receivable   | -  | (1,16,155)                                 |
| Utilize for Payment of Tax  | (26,51,559)                                | (71,34,520)                                |
| <b>Total Other Current Assets</b>   | <b>34,98,997</b>                           | <b>59,98,876</b>                           |
| <b>Note 15 : Equity Share Capital</b>   |  |  |
| <b>Authorised Share Capital</b>   |  |  |
| 2,00,00,000 equity shares of Rs. 10 each<br>(31st March, 2019 : 2,00,00,000; 1st April, 2018 : 2,00,00,000<br>equity shares of Rs. 10 each) | 20,00,00,000                               | 20,00,00,000                               |
| <b>Total Authorised Share Capital</b>   | <b>20,00,00,000</b>                        | <b>20,00,00,000</b>                        |
| <b>Issued, Subscribed and Paid up Capital</b>   |  |  |
| 1,26,61,915 equity shares of Rs. 10 each fully paid up  | 12,66,19,150                               | 12,66,19,150                               |
| <b>Total</b>  | <b>12,66,19,150</b>                        | <b>12,66,19,150</b>                        |

# GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars   | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|---|--|--|
| <b>Note 16 : Other Equity</b>   |  |  |
| General Reserve   | 1,85,46,76,195                             | 1,85,46,76,195                             |
| Retained Earnings   | 2,77,58,10,363                             | 2,69,95,16,984                             |
| Capital Redemption Reserve  | 3,91,30,850                                | 3,91,30,850                                |
| Reserves representing unrealized gains/losses (FVTOCI)                              | (2,99,20,856)                              | (2,16,56,214)                              |
| Minority Interest   | 60   | -  |
| <b>Total other equity</b>   | <b>4,63,96,96,612</b>                      | <b>4,57,16,67,815</b>                      |
| <b>General Reserve</b>  |  |  |
| Opening Balance   | 1,85,46,76,195                             | 2,03,38,59,018                             |
| Transfer During the Year  | -  | (99,80,850)                                |
| Buy Back Of Shares  | -  | 99,80,850                                  |
| Premium Paid On Buyback of Share  | -  | (17,91,82,823)                             |
| <b>Total general Reserve</b>  | <b>1,85,46,76,195</b>                      | <b>1,85,46,76,195</b>                      |
| <b>Retained earnings</b>  |  |  |
| Opening Balance   | 2,69,95,16,984                             | 2,56,82,31,028                             |
| Profit during the year  | 19,15,05,912                               | 25,70,37,081                               |
| Tax on Interim Dividend   | -  | (64,13,000)                                |
| Tax on Dividend   | (77,72,000)                                | (31,911)                                   |
| Dividend Paid   | (10,74,40,533)                             | -  |
| Adj for Previous years for Associates Concerns                                      | -  | (10,23,00,214)                             |
| Exceptional Items   | -  | (1,70,06,000)                              |
| <b>Total retained earnings</b>  | <b>2,77,58,10,363</b>                      | <b>2,69,95,16,984</b>                      |
| <b>Capital Redemption Reserve</b>   |  |  |
| Opening Balance   | 3,91,30,850                                | 2,91,50,000                                |
| Less: Utilisation during the year   | -  | 99,80,850                                  |
| <b>Total Capital Redemption Reserve</b>   | <b>3,91,30,850</b>                         | <b>3,91,30,850</b>                         |
| <b>Reserves representing unrealized gains/losses<br/>FVOCI - equity investments</b> |  |  |
| Opening Balance   | (2,16,56,214)                              | 9,85,09,190                                |
| Actuarial Gains and losses  | (1,70,113)                                 | 1,70,113                                   |
| Increase/(Decrease) fair value of FVOCI equity instruments                          | (80,94,529)                                | (12,03,35,517)                             |
| <b>Total reserves representing unrealized gains/losses</b>                          | <b>(2,99,20,856)</b>                       | <b>(2,16,56,214)</b>                       |
| <b>Note 17 : Deferred tax (Asset)/Liability</b>                                     |  |  |
| Deferred Tax Asset at the Beginning of the Year                                     | 60,35,000                                  | 67,44,000                                  |
| Deferred Tax On OCI Changes   | 10,33,000                                  | (14,18,000)                                |
| Deferred Tax Asset for Current Year on Depreciation Diff.                           | -  | 7,09,000                                   |
| <b>Total Deferred Tax Asset</b>   | <b>70,68,000</b>                           | <b>60,35,000</b>                           |
| Deferred Tax Liabilities at the Beginning of the Year                               | 3,82,07,617                                | 31,56,664                                  |
| Deferred Tax On OCI   | -  | -  |
| Deferred Tax Liabilities for Current Year on Depreciation Diff.                     | (83,25,847)                                | 3,50,50,953                                |
| <b>Total Deferred Tax Liabilities</b>   | <b>2,98,81,770</b>                         | <b>3,82,07,617</b>                         |
| <b>Total Deferred Tax (Asset)/Liability</b>   | <b>2,28,13,770</b>                         | <b>3,21,72,617</b>                         |
| <b>Note 18 : Net employee benefit liabilities</b>                                   |  |  |
| <b>Current</b>  |  |  |
| Provision for Bonus   | 13,43,061                                  | 23,73,397                                  |
| <b>Total Current Net Employee Benefit Liabilities</b>                               | <b>13,43,061</b>                           | <b>23,73,397</b>                           |

| Particulars  | As at 31st<br>March, 2019<br>(Amount in `) | As at 31st<br>March, 2018<br>(Amount in `) |
|--|--|--|
| <b>Note 19 : Borrowings</b>  |  |  |
| <b>Current</b>   |  |  |
| HDFC BANK A/C.#00060330007196<br>(Secured against Hypothecation of Books Debts & Stocks) | 7,88,54,150                                | 7,99,49,561                                |
| Mehsana Urban Co-Operative Bank<br>(Secured against Term Deposits)                       | 9,19,04,840                                | 1,53,51,020                                |
| Bank of Baroda<br>(Secured against Term Deposits)  | 13,11,000                                  | 48,62,000                                  |
| <b>Total Borrowings</b>  | <b>17,20,69,990</b>                        | <b>10,01,62,581</b>                        |

**Note 20 : Trade payables**
**Sundry Creditors [Raw Materials]**

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| <i>Due of MSME</i>            | 1,55,87,950        | -                  |
| <i>Due of Other than MSME</i> | 3,25,44,404        | 2,82,69,816        |
| Sundry Creditors (Other)      | 1,01,72,138        | 5,50,000           |
| <b>Total trade payables</b>   | <b>5,83,04,492</b> | <b>2,88,19,816</b> |

**Note 21 : Other Current Liabilities**

|  |                    |                  |
|--|--------------------|------------------|
| Balance payable to Statutory Bodies    | 41,40,946          | 39,16,155        |
| Advances from Customers                | 73,25,884          | 1,76,09,111      |
| Unclaimed Dividends Liabilities        | 35,65,952          | 34,95,632        |
| Payment Of Dividend                    | -                  | (3,12,08,923)    |
| Unpaid Liabilities                     | 28,31,202          | 1,16,48,440      |
| Statutory Dues                         | 2,30,792           | 3,180            |
| Other liabilities                      | 8,15,501           | 14,50,201        |
| <b>Total Other Current Liabilities</b> | <b>1,89,10,277</b> | <b>69,13,796</b> |

| Particulars  | For the<br>Year Ended<br>31st March, 2019 | For the<br>Year Ended<br>31st March, 2018 |
|--|---|---|
| <b>Note 22 : Revenue from Operations</b>             |   |   |
| Sale of Construction and Mining Machineries & Spares | 28,82,09,606                              | 68,84,12,826                              |
| Sale of Services                                     | 32,28,652                                 | 20,94,716                                 |
| Duty Draw Back                                       | 3,94,742                                  | 26,06,468                                 |
| Solar Project Income                                 | 64,82,567                                 | 1,24,53,365                               |
| Resale of Materials                                  | 21,75,000                                 | 5,30,000                                  |
| Less: Excise Duty and Service Tax                    | -   | 2,16,92,870                               |
| <b>Total revenue from operations</b>                 | <b>30,04,90,567</b>                       | <b>68,44,04,505</b>                       |

# GUJARAT APOLLO INDUSTRIES LIMITED

| Particulars                                       | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|---|--|--|
| <b>Note 23 : Other Income</b>                     |  |  |
| <b>Dividend from long term investments</b>        |  |  |
| Dividend on Long-Term Investments (subsidiary)    | 3,78,00,000  | -  |
| Dividend on Long-Term Investments (Other)         | -  | 10,94,11,739   |
|   | <b>3,78,00,000</b>   | <b>10,94,11,739</b>  |
| <b>Other non-operating income</b>                 |  |  |
| Profit on Sale / Disposal of Assets (net)         | -  | 2,20,891   |
| Profit / Loss On Sale Of Investments              | 61,13,000  | 18,59,72,715   |
| Net Gain / (Loss) on Foreign Currency Translation | 6,03,519   | 10,91,725  |
| Export Incentive Income                           | 10,69,049  | 9,76,058   |
| Guarantee Commission                              | -  | 30,00,000  |
| Miscellaneous income                              | 37,10,508  | 40,54,402  |
|   | <b>1,14,96,076</b>   | <b>19,53,15,791</b>  |
| <b>Total other income</b>                         | <b>4,92,96,076</b>   | <b>30,47,27,530</b>  |
| <b>Note 24 : Finance income</b>                   |  |  |
| Interest income                                   | 17,78,33,047   | 16,92,51,340   |
| <b>Total finance income</b>                       | <b>17,78,33,047</b>  | <b>16,92,51,340</b>  |
| <b>Note : 25 : Cost of Material Consumed</b>      |  |  |
| <b>Raw Material Consumed:</b>                     |  |  |
| Opening Stock of Raw Material                     | 10,69,30,272   | 14,38,83,453   |
| Purchases   | 19,98,74,271   | 52,67,55,966   |
| <b>Less : Closing Stock of Raw Material</b>       | <b>9,78,74,297</b>   | <b>10,69,30,272</b>  |
| <b>Total Cost of Material Consumed</b>            | <b>20,89,30,246</b>  | <b>56,37,09,147</b>  |
| <b>Note 26 : Changes in Inventories</b>           |  |  |
| <b>Opening Balance :</b>                          |  |  |
| Scrap   | 13,63,159  | 2,660  |
| Semi Finished Goods                               | 11,49,51,330   | 10,86,28,854   |
| Finished Goods                                    | 1,57,73,095  | 1,81,44,012  |
|   | <b>13,20,87,584</b>  | <b>12,67,75,526</b>  |
| <b>Less: Closing Balance :</b>                    |  |  |
| Scrap   | 8,12,987   | 13,63,159  |
| Semi Finished Goods                               | 8,96,78,343  | 11,49,51,330   |
| Finished Goods                                    | 97,27,646  | 1,57,73,095  |
|   | <b>10,02,18,976</b>  | <b>13,20,87,584</b>  |
| <b>Total Changes in Inventories</b>               | <b>3,18,68,608</b>   | <b>(53,12,058)</b>   |
| <b>Note 27 : Employee benefit expenses</b>        |  |  |
| Salary, wages and allowances                      | 3,25,74,314  | 4,48,75,891  |
| Contribution to provident fund and other funds    | 15,61,751  | 25,77,782  |
| Bonus & Gratuity                                  | 13,18,525  | 43,21,319  |
| Leave Encashment Expenses                         | -  | 2,74,844   |
| Staff welfare expenses                            | 28,19,291  | 66,69,859  |
| <b>Total employee benefit expenses</b>            | <b>3,82,73,881</b>   | <b>5,87,19,695</b>   |

| Particulars  | For the<br>Year Ended<br>31st March, 2019<br>(Amount in `) | For the<br>Year Ended<br>31st March, 2018<br>(Amount in `) |
|--|--|--|
| <b>Note 28 : Finance Costs</b>                                     |  |  |
| Interest Expenses (Bank)   | 1,10,27,046  | 1,41,66,553  |
| Interest Expenses (Other)  | 1,70,555   | 10,21,421  |
| Other Borrowing Costs (includes bank charges, etc.)                | 11,83,119  | 22,67,897  |
| <b>Total Finance Costs</b>   | <b>1,23,80,720</b>   | <b>1,74,55,871</b>   |
| <b>Note 29 : Other Expenses</b>                                    |  |  |
| Advertisement & Sales promotion                                    | 28,37,906  | 65,40,692  |
| Audit Fees   | 11,10,000  | 11,10,000  |
| Bad Debts Written off  | 28,88,977  | 1,99,79,900  |
| Commission on Sales  | 36,07,821  | -  |
| Discount & Miscellaneous Expenses                                  | 45,61,908  | 4,55,262   |
| Donation   | 5,75,000   | 35,30,000  |
| Erection and After Sales Services                                  | 8,60,393   | 4,94,082   |
| Insurance Premium  | 3,10,083   | 10,61,687  |
| Transportation and Cartrage [Inward]                               | 21,16,106  | 95,20,176  |
| Travelling & Conveyance  | 47,91,982  | 72,58,123  |
| Labour Charges   | 2,14,15,230  | 4,60,97,559  |
| Loss on Sale of Assets [Net]                                       | 72,33,419  | 61,68,899  |
| Power & Fuel   | 32,24,931  | 68,46,940  |
| Office & Administrative Expenses                                   | 16,20,565  | 27,57,768  |
| Postage, Telephone and Telex Expenses                              | 11,37,935  | 15,56,923  |
| Professional Charges   | 1,07,81,919  | 1,67,82,467  |
| Repairs to Plant & Machinery                                       | 17,476   | 6,33,403   |
| Stores & Tools Consumed  | 1,01,22,791  | 1,70,19,098  |
| Stationery & Printing Expenses                                     | 2,88,557   | 4,47,313   |
| Rent, Rates & Taxes  | 9,66,109   | 16,20,944  |
| Freight Outward  | 57,33,084  | 16,61,611  |
| Vehicle Running and Maintenance                                    | 25,90,327  | 22,97,444  |
| Factory Expenses   | 15,02,725  | 12,91,639  |
| CSR Expenses   | 7,82,000   | 27,76,000  |
| Prior Period Expenses  | 4,19,000   | 14,61,837  |
| Managerial Remuneration  | 8,80,000   | 19,00,000  |
| Other Expenses   | 27,61,358  | 38,85,503  |
| Director's Perquisite and Others                                   | 72,000   | 9,26,078   |
| <b>Total Other Expenses</b>  | <b>9,52,09,602</b>   | <b>16,60,81,348</b>  |
| <b>Note-30 : CSR Expenses</b>                                      |  |  |
| 1 Gross Amount required to be spent by the Company during the year | 50,000   | -  |
| 2 Amount spent during the year on the following in Cash            |  |  |
| a) Construction/Acquisition of any asset                           | -  | -  |
| b) On purposes other than (a) above                                |  |  |
| Construction towards Health, Education and Social Welfare          | 50,000   | -  |
| <b>Total</b>   | <b>50,000</b>  | <b>-</b>   |

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| Particulars                                   | As at               | As at                |
|---|---------------------|----------------------|
|   | 31st March, 2019    | 31st March, 2018     |
| <b>Note 31 : Earnings in Foreign Exchange</b> | <b>Current Year</b> | <b>Previous Year</b> |
| A. Export of Goods                            |                     |                      |
| (i) Direct on FOB Basis                       | 7,31,02,857         | 6,23,89,795          |
| (ii) Deemed Export                            | -                   | -                    |
| B. Export of Services                         | -                   | -                    |
| <b>Total Earnings in Foreign Exchange</b>     | <b>7,31,02,857</b>  | <b>6,23,89,795</b>   |

|  |                 |                  |
|--|-----------------|------------------|
| <b>Note 32 Value of Imports on CIF Basis</b> |                 |                  |
| Raw Material & Components                    | 7,47,045        | 60,39,251        |
| <b>Total Value of Imports on CIF Basis</b>   | <b>7,47,045</b> | <b>60,39,251</b> |

|  |                 |                  |
|--|-----------------|------------------|
| <b>Note 33 Expenditure in Foreign Currency</b> |                 |                  |
| A. Travelling & Others                         | 7,29,888        | 21,52,607        |
| <b>Total Expenditure in Foreign Currency</b>   | <b>7,29,888</b> | <b>21,52,607</b> |

|  |                     |                     |
|--|---------------------|---------------------|
| <b>Note 34 Segment Reporting</b>   |                     |                     |
| (i) The company has primarily business segment "Construction Equipments and Maintenance Machineries" The Company's operation are solely situated in India. |                     |                     |
| (ii) The secondary segment is based on Geographical demarcation i.e. India and rest of the world.  |                     |                     |
| Export Sales   | 7,41,70,480         | 6,60,54,093         |
| Domestic Sales   | 22,63,20,087        | 61,78,20,412        |
| <b>Total</b>   | <b>30,04,90,567</b> | <b>68,38,74,505</b> |

## Note 35 Details of Raw Material Consumed

| Particulars                                   | As at            |                     | As at            |                     |
|---|------------------|---------------------|------------------|---------------------|
|   | 31st March, 2019 | Amount              | 31st March, 2018 | Amount              |
| Imported                                      | 0.36%            | 7,47,305            | 2%               | 87,03,284           |
| Indigeneous                                   | 99.64%           | 20,81,82,941        | 98%              | 55,45,35,863        |
| <b>Total Details of Raw Material Consumed</b> | <b>100%</b>      | <b>20,89,30,246</b> | <b>100%</b>      | <b>56,32,39,147</b> |

| Particulars | As at            | As at            |
|-------------|------------------|------------------|
|             | 31st March, 2019 | 31st March, 2018 |

## Note 36 Disclosure Under Micro, Small and Medium Enterprise Development Act, 2006

### Micro Small and Medium Enterprises Disclosures

|  |             |   |
|--|-------------|---|
| a. The principal amount and interest due thereon remaining unpaid at the end of accounting year  | 1,55,87,950 | - |
| b. The amount of interest paid by the buyer in terms of the section 16 of the MSME Act alongwith the amount of the payment made to the supplier beyond the appointed day during accounting year  | -           | - |
| c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)but without adding the interest specified under MSME act 2006.  | -           | - |
| d. The amount of interest accrued and remaining unpaid at the end of accounting year   | 91,139      | - |
| e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSME Act,2006. |             |   |

| S. Particulars<br>No   | 2018-19<br>Rs.   | 2017-18<br>Rs.     |
|--|------------------|--------------------|
| <b>Note 37</b>   |                  |                    |
| <b>Disclosure in Accordance with IND AS-19 on "Employee Benefits"</b>  |                  |                    |
| The Company has recognized the following amounts in the Statement of Profits and Loss for the year under Note No. 23 of Employee Benefit Expenses: |                  |                    |
| 1 Employer's Contribution to Provident Fund and Other Funds  | 15,61,751        | 25,77,782          |
| 2 Bonus & Gratuity   | 13,18,525        | 43,21,319          |
| 3 Leave Encashment Expenses  | -                | 2,74,844           |
| 4 Staff Welfare Expenses   | 28,19,291        | 66,69,859          |
| <b>Total</b>   | <b>56,99,567</b> | <b>1,38,43,804</b> |

**Note-38**

**Contingent Liabilities and Commitments**

|   |                     |                    |
|---|---------------------|--------------------|
| 1 Contingent Liabilities                                  |                     |                    |
| a) In respect of Sales Tax, Excise and Service Tax Demand | 3,87,33,000         | 2,52,40,616        |
| b) In respect of Guarantee given to Customer              | 16,55,96,118        | 86,32,928          |
| <b>Total</b>  | <b>20,43,29,118</b> | <b>3,38,73,544</b> |

"During the year, The Apollo FBC Crushing and Equipments Ltd (Subsidiary) has received a notice from local court for non filing of certain return in ROC for earlier year. The liability is not quantified as the proceedings are in progress and it will be quantified only after getting the final order."

| S. Particulars<br>No                        | 31st March 2019<br>Rs. | 31st March 2018<br>Rs. |
|---|------------------------|------------------------|
| <b>Note-39 : Payment to Auditors</b>        |                        |                        |
| For Statutory Audit                         | 6,85,000               | 6,85,000               |
| For Tax Audit                               | 1,25,000               | 1,25,000               |
| For Other matters/reimbursement of expenses | 3,00,000               | 3,00,000               |
| <b>Total</b>                                | <b>11,10,000</b>       | <b>11,10,000</b>       |

**Note-40**

**Payment to Directors**

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Director Remuneration | 10,76,510        | 19,00,000        |
| Director Sitting Fees | 70,000           | 1,10,000         |
| <b>Total</b>          | <b>11,46,510</b> | <b>20,10,000</b> |

**Note-41**

**Details of Shareholder(s) Holding more than 5% Equity Shares**

**Number of Equity Shares**

|                    |           |           |
|--------------------|-----------|-----------|
| Asit A Patel (HUF) | 22,50,528 | 22,50,528 |
| Anand A Patel      | 10,59,000 | 10,59,000 |
| Shardaben A Patel  | 8,46,901  | -         |

**% Holding in Equity Shares**

|                    |        |        |
|--------------------|--------|--------|
| Asit A Patel (HUF) | 17.77% | 17.77% |
| Anand A Patel      | 8.36%  | 8.36%  |
| Shardaben A Patel  | 6.69%  | -      |

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## Note 42

### A. Financial Instruments by Category and their Fair Value

| As at 31st March, 2019   | Carrying Amount |                     |                       |                       |
|--|-----------------|---------------------|-----------------------|-----------------------|
|  | FVTPL           | FVTOCI              | Amotised Cost         | Total                 |
| <b>Financial Assets</b>  |                 |                     |                       |                       |
| <b>Investments</b>   |                 |                     |                       |                       |
| Quoted   | -               | 1,14,22,323         | -                     | 1,14,22,323           |
| Unquoted   | -               | 6,58,98,000         | -                     | 6,58,98,000           |
| <b>Loans</b>   |                 |                     |                       |                       |
| Non-Current  | -               | -                   | 48,43,83,477          | 48,43,83,477          |
| Current  | -               | -                   | 1,39,90,37,319        | 1,39,90,37,319        |
| Trade Receivables  | -               | -                   | 10,52,71,820          | 10,52,71,820          |
| Cash and Cash Equivalents  | -               | -                   | 25,28,38,457          | 25,28,38,457          |
| Other Bank Balances  | -               | -                   | 5,51,00,951           | 5,51,00,951           |
| <b>Other Financial Assets</b>  |                 |                     |                       |                       |
| Non-Current  | -               | -                   | 53,83,297             | 53,83,297             |
| <b>Total Financial Assets</b>  | <b>-</b>        | <b>7,73,20,323</b>  | <b>2,30,20,15,321</b> | <b>2,37,93,35,644</b> |
| <b>Financial Liabilities</b>   |                 |                     |                       |                       |
| <b>Borrowings</b>  |                 |                     |                       |                       |
| Non-Current  | -               | -                   | -                     | -                     |
| Current  | -               | -                   | 17,20,69,990          | 17,20,69,990          |
| <b>Other Financial Liabilities</b>   |                 |                     |                       |                       |
| Current  | -               | -                   | -                     | -                     |
| Trade Payables   | -               | -                   | 5,83,04,492           | 5,83,04,492           |
| <b>Total Financial Liabilities</b>   | <b>-</b>        | <b>-</b>            | <b>23,03,74,482</b>   | <b>23,03,74,482</b>   |
| Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately. |                 |                     |                       |                       |
| <b>As at 31st March, 2018</b>  |                 |                     |                       |                       |
|  | Carrying amount |                     |                       |                       |
|  | FVTPL           | FVTOCI              | Amotised Cost         | Total                 |
| <b>Financial Assets</b>  |                 |                     |                       |                       |
| <b>Investments</b>   |                 |                     |                       |                       |
| Quoted   | -               | 51,21,51,401        | -                     | 51,21,51,401          |
| Unquoted   | -               | -                   | 8,30,23,000           | 8,30,23,000           |
| <b>Loans</b>   |                 |                     |                       |                       |
| Non-Current  | -               | -                   | 38,98,35,010          | 38,98,35,010          |
| Current  | -               | -                   | 1,34,45,18,716        | 1,34,45,18,716        |
| Trade Receivables  | -               | -                   | 7,35,62,705           | 7,35,62,705           |
| Cash and Cash Equivalents  | -               | -                   | 28,37,85,498          | 28,37,85,498          |
| Other Bank Balances  | -               | -                   | 5,49,91,498           | 5,49,91,498           |
| <b>Other Financial Assets</b>  |                 |                     |                       |                       |
| Non-Current  | -               | -                   | 57,62,128             | 57,62,128             |
| <b>Total Financial Assets</b>  | <b>-</b>        | <b>51,21,51,401</b> | <b>2,23,54,78,555</b> | <b>2,74,76,29,955</b> |
| <b>Financial Liabilities</b>   |                 |                     |                       |                       |
| <b>Borrowings</b>  |                 |                     |                       |                       |
| Non-Current  | -               | -                   | -                     | -                     |
| Current  | -               | -                   | 10,01,62,581          | 10,01,62,581          |
| <b>Other Financial Liabilities</b>   |                 |                     |                       |                       |
| Current  | -               | -                   | -                     | -                     |
| Trade Payables   | -               | -                   | 2,82,69,816           | 2,82,69,816           |
| <b>Total Financial Liabilities</b>   | <b>-</b>        | <b>-</b>            | <b>12,84,32,396</b>   | <b>12,84,32,396</b>   |

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

**Types of inputs are as under:**

**Input Level I** (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

**Input Level II** (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

**Input Level III** (Unobservable) which includes management’s own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

**B. Measurement of fair values**

**Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

**Cross Currency Interest Rate Swaps**

This instrument is valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The model incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve.

**Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods

**Level 3 fair values**

Movements in the values of unquoted equity instruments for the period ended 31st March, 2019 and 31st March, 2018 is as below:

| Particulars  | Amount             |
|--|--------------------|
| <b>As at 1 April 2017</b>                                | <b>8,30,23,000</b> |
| Acquisitions/ (disposals)                                | -                  |
| Gains/ (losses) recognised in other comprehensive income | -                  |
| <b>As at 31 March 2018</b>                               | <b>8,30,23,000</b> |
| Acquisitions/ (disposals)                                | (2,76,37,000)      |
| Gains/ (losses) recognised in other comprehensive income | 44,10,000          |
| Reclassification of Investments                          | 61,02,000          |
| <b>As at 31 March 2019</b>                               | <b>6,58,98,000</b> |

**Transfer out of Level 3**

There were no transfers out of level 3 during the year 2018-19 and 2017-18.

**C. Financial risk management**

The Company’s principal financial liabilities comprises of loans & borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company operations and to provide guarantees to support its operations. The Company’s principal financial assets include trade & other receivables, cash & cash equivalents and investments that are derived directly from its operations. The Company has exposure to the following risks arising from financial instruments:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk

**(i) Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables.

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The maximum credit exposure associated with financial assets is equal to the carrying amount. The details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

### Trade Receivables

The Company's exposure to credit Risk is the exposure that Company has on account of services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial.

Services are generally subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

### Age of Receivables:

| Particulars | As at                        | As at                        |
|-------------|------------------------------|------------------------------|
|             | 31st March, 2019<br>(Ind AS) | 31st March, 2018<br>(Ind AS) |
| Not Due     | 1,45,60,136                  | -                            |
| 0-3 Months  | 2,92,82,368                  | 88,81,686                    |
| 3-6 Months  | 1,28,052                     | 15,52,308                    |
| 6-12 Months | 1,16,56,514                  | 1,81,22,554                  |
| 1-3 Years   | 3,76,04,910                  | 1,99,08,919                  |
| >3 Years    | 1,20,39,840                  | 2,50,97,239                  |

The receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven credit worthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

### Other Financial Assets

Other financial assets comprise of cash and cash equivalents, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint ventures.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals.
- Investments are made in credit worthy companies.
- Derivative instrument comprises cross currency interest rate swaps where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.

### (ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross / undiscounted values and include estimated interest payments and exclude the impact of netting agreements.

| 31st March, 2019                            | Contractual Cash Flows Based on Maturity |                     |                     |                     |
|---|--|---------------------|---------------------|---------------------|
|   | Carrying Amount                          | Total               | Less than 12 Months | More than 12 Months |
| <b>Non-Derivative Financial Liabilities</b> |  |                     |                     |                     |
| Non current borrowings                      | -  | -                   | -                   | -                   |
| Current borrowings                          | 17,20,69,990                             | 17,20,69,990        | 17,20,69,990        | -                   |
| Non current financial liabilities           | -  | -                   | -                   | -                   |
| Current financial liabilities               | -  | -                   | -                   | -                   |
| Trade and other payables                    | 5,83,04,492                              | 5,83,04,492         | 5,83,04,492         | -                   |
| <b>Total</b>                                | <b>23,03,74,482</b>                      | <b>23,03,74,482</b> | <b>23,03,74,482</b> | <b>-</b>            |
| <b>31st March, 2018</b>                     |  |                     |                     |                     |
|   | Contractual cash flows based on maturity |                     |                     |                     |
|   | Carrying amount                          | Total               | Less than 12 months | More than 12 months |
| <b>Non-derivative financial liabilities</b> |  |                     |                     |                     |
| Non current borrowings                      | -  | -                   | -                   | -                   |
| Current borrowings                          | 10,01,62,581                             | 10,01,62,581        | 10,01,62,581        | -                   |
| Non current financial liabilities           | -  | -                   | -                   | -                   |
| Current financial liabilities               | -  | -                   | -                   | -                   |
| Trade and other payables                    | 2,82,69,816                              | 2,82,69,816         | 2,82,69,816         | -                   |
| <b>Total</b>                                | <b>12,84,32,397</b>                      | <b>12,84,32,397</b> | <b>12,84,32,397</b> | <b>-</b>            |

### (iii) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

#### Currency Risk

The functional currency of the company is Indian Rupees and its revenue is generated from operations in India. It is exposed to foreign currency risk arising on the LIBOR linked floating rate external commercial borrowing (ECB) denominated in Japanese Yen. The ECB has been fully hedged using a pay fixed – receive floating cross currency interest rate swap with all critical terms mirroring the underlying ECB. Accordingly, the foreign currency exposure and interest rate exposure has been completely hedged. This aside, the Company does not have any derivative instruments used for trading or speculative purposes.

#### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions. Further as disclosed above, The interest rate exposure on floating rate ECB has been fully hedged through a pay fixed – receive floating cross currency interest rate swap.

### D. Capital management

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The primary objective of the Company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

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The Company's adjusted net debt to equity ratio was as follows.

| Particulars                                | As at 31st<br>March, 2019<br>(Ind AS) | As at 31st<br>March, 2018<br>(Ind AS) |
|--|---------------------------------------|---------------------------------------|
| <b>Total non-current liabilities</b>       | 2,28,13,770                           | 3,30,59,495                           |
| Less : Cash and bank balances              | 30,79,39,408                          | 28,37,85,498                          |
| <b>Adjusted net debt</b>                   | <b>(28,51,25,638)</b>                 | <b>(25,07,26,003)</b>                 |
| <b>Total equity</b>                        | <b>4,76,63,15,762</b>                 | <b>4,69,82,86,966</b>                 |
| Adjusted net debt to adjusted equity ratio | -0.06:1 times                         | -0.05:1 times                         |

### Note 43. Deferred tax asset/ (liabilities) [Net] Movement in deferred tax balances

| Particulars                          | 31st March, 2019                   |   |   |       |               |                          |                              |
|--------------------------------------|------------------------------------|---|---|-------|---------------|--------------------------|------------------------------|
|                                      | Net<br>balance<br>April 1,<br>2018 | Recogni-<br>sed in<br>profit<br>or loss | Recog-<br>nised<br>directly<br>in<br>equity | Other | Net           | Deferred<br>tax<br>asset | Deferred<br>tax<br>Liability |
| Deferred tax asset/<br>(liabilities) |                                    |   |   |       |               |                          |                              |
| Fixed Assets                         | (3,31,92,647)                      | 83,25,847                               | -   | -     | (2,48,66,800) | -                        | (2,48,66,800)                |
| Loss Carry Forward                   | -                                  | -                                       | -   | -     | -             | -                        | -                            |
| FV On Investment                     | 10,20,030                          | -                                       | 10,33,000                                   | -     | 20,53,030     | 20,53,030                | -                            |
| Tax assets/ (liabilities)            | (3,21,72,617)                      | 83,25,847                               | 10,33,000                                   | -     | (2,28,13,770) | 20,53,030                | (2,48,66,800)                |
| Set off tax                          | -                                  | -                                       | -   | -     | -             | -                        | -                            |
| Net tax assets/<br>(liabilities)     | (3,21,72,617)                      | 83,25,847                               | 10,33,000                                   | -     | (2,28,13,770) | 20,53,030                | (2,48,66,800)                |
| Particulars                          | 31st March, 2018                   |   |   |       |               |                          |                              |
|                                      | Net<br>balance<br>April 1,<br>2017 | Recogni-<br>sed in<br>profit<br>or loss | Recog-<br>nised<br>directly<br>in<br>equity | Other | Net           | Deferred<br>tax<br>asset | Deferred<br>tax<br>Liability |
| Deferred tax assets/liabilities      |                                    |   |   |       |               |                          |                              |
| Fixed Assets                         | (2,88,36,713)                      | (43,56,251)                             | -   | -     | (3,31,92,647) | -                        | (3,31,92,647)                |
| Loss Carry Forward                   | 3,14,04,019                        | (3,14,04,019)                           | -   | -     | -             | -                        | -                            |
| FV On Investment                     | 10,20,030                          | -                                       | -   | -     | 10,20,030     | 10,20,030                | -                            |
| Tax assets/ (liabilities)            | 35,87,336                          | (3,57,60,270)                           | -   | -     | (3,21,72,617) | 10,20,030                | (3,31,92,647)                |
| Set off tax                          | -                                  | -                                       | -   | -     | -             | -                        | -                            |
| Net tax assets/<br>(liabilities)     | 35,87,336                          | (3,57,60,270)                           | -   | -     | (3,21,72,617) | 10,20,030                | (3,31,92,647)                |

**Note 44**
**Related Party Disclosures**

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows:

**A. Subsidiary/ Associate**

| Name of Entity                   |       | Type       |
|----------------------------------|-------|------------|
| Apollo Industries & Projects Ltd | AIPL  | Associates |
| Ammann India Pvt Ltd             | AIPL  | Associates |
| Apollo Agro Industries Limited   | AAIL  | Associates |
| Credo Mineral Industries Limited | CMI   | Associates |
| M. B. Stones Pvt. Ltd.           | MBSPL | Associates |
| Patan Marketyard Pvt. Ltd.       | PMPL  | Associates |
| HMS Construction Pvt Ltd         | HMS   | Associates |

**B. Key Managerial Personnel:**

| Name of Key Managerial Personnels |  |                      |
|-----------------------------------|--|----------------------|
| 1                                 | Asit A Patel                           | Managing Director    |
| 2                                 | Anand A Patel                          | Director             |
| 3                                 | Anil T Patel (Ceased w.e.f 08/02/2018) | Director             |
| 4                                 | Navinchandra V Shah                    | Independent Director |
| 5                                 | Manibhai V Patel                       | Director             |
| 6                                 | Kapilaben A Patel                      | Director             |
| 7                                 | Nayna A Patel                          | Director             |
| 8                                 | Naman Madhav Patel                     | Director             |
| 9                                 | Ravindra Lele                          | Director             |
| 10                                | Nirav Shah                             | Director             |
| 11                                | Manankumar Patel                       | Director             |
| 12                                | Mr. Janardan J Raval                   | Director             |
| 13                                | Mr. Navinchandra Shah                  | Director             |
| 14                                | Neha Chikani Shah                      | Company Secretary    |
| 15                                | Bharat Dave                            | CFO                  |

# GUJARAT APOLLO INDUSTRIES LIMITED

## C. Transactions during the year with related parties:

### 1. Transactions with Subsidiaries or Associate Company:-

| Particulars                          | Purchase of Goods / Jobworks |         | Sales of Goods/ Assets/Lease |              | Loans Given |              |
|--------------------------------------|------------------------------|---------|------------------------------|--------------|-------------|--------------|
|                                      | 2018-19                      | 2017-18 | 2018-19                      | 2017-18      | 2018-19     | 2017-18      |
| Apollo Industries & Projects Limited | -                            | -       | -                            | -            | 8,51,00,000 | 11,17,00,000 |
| Ammann India Pvt Ltd                 | 14,43,418                    | 27,623  | 3,08,16,584                  | 62,22,03,005 | -           | -            |
| Credo Mineral Industries Limited     | -                            | -       | -                            | -            | -           | -            |
| M. B. Stones Pvt. Ltd.               | -                            | -       | -                            | -            | -           | -            |
| Patan Marketyard Pvt. Ltd.           | -                            | -       | -                            | -            | -           | 1,41,51,000  |
| HMS Construction Pvt Ltd             | -                            | -       | -                            | -            | -           | -            |

| Particulars                          | Loans Paid Back |              | Interest / Dividend Income |              | Equity Contribution/ (Disposal) |             |
|--------------------------------------|-----------------|--------------|----------------------------|--------------|---------------------------------|-------------|
|                                      | 2018-19         | 2017-18      | 2018-19                    | 2017-18      | 2018-19                         | 2017-18     |
| Apollo Industries & Projects Limited | 7,99,00,000     | 13,63,00,000 | 8,88,63,432                | 8,16,00,705  | -                               | -           |
| Ammann India Pvt Ltd                 | -               | -            | -                          | 10,74,95,276 | -                               | 7,88,97,728 |
| Credo Mineral Industries Limited     | -               | -            | -                          | 19,16,463    | -                               | 4,03,11,518 |
| M. B. Stones Pvt. Ltd.               | -               | -            | 35,64,000                  | 32,70,360    | -                               | -           |
| Patan Marketyard Pvt. Ltd.           | -               | -            | 17,35,000                  | 11,74,610    | -                               | -           |
| HMS Construction Pvt Ltd             | -               | -            | -                          | -            | -                               | -           |

During the F.Y. 2018-19, the AEML Investments Limited has given the Guarantee in respect to Patan Marketyard Pvt. Ltd. amounting to Rs. 5,56,66,000/-

### 2. Key Management Personnel Transactions

| Particulars                                | Remuneration/Perquisites |           | Dividend Paid |           | Director Sitting Fees |         |
|--|--------------------------|-----------|---------------|-----------|-----------------------|---------|
|  | 2018-19                  | 2017-18   | 2018-19       | 2017-18   | 2018-19               | 2017-18 |
| Asit A Patel                               | 1,96,510                 | 9,16,264  | 15,000        | 12,500    | -                     | -       |
| Anand A Patel                              | 8,80,000                 | -         | 31,77,000     | 26,47,500 | -                     | -       |
| Anil T Patel<br>(Ceased w.e.f. 08.02.2018) | -                        | 28,23,078 | -             | 13,35,313 | -                     | 7,500   |
| Navinchandra V Shah                        | -                        | -         | 24,300        | 20,250    | 20,000                | 30,000  |
| Manibhai V Patel                           | -                        | -         | 6,07,917      | 5,06,598  | 10,000                | 17,500  |
| Kapilaben A Patel                          | -                        | -         | -             | -         | 10,000                | 15,000  |
| Nayna A Patel                              | -                        | -         | 81,300        | 67,750    | 10,000                | 15,000  |
| Naman Madhav Patel                         | -                        | -         | 15,000        | 6,250     | 20,000                | 25,000  |
| Neha Chikani Shah                          | 8,24,400                 | 7,70,400  | -             | -         | -                     | -       |
| Bharat Dave                                | 10,66,346                | 10,01,900 | -             | -         | -                     | -       |

### 3. Closing Balances

| Particulars                      | As on 31st March 2019 | As on 31st March 2018 |
|----------------------------------|-----------------------|-----------------------|
| M. B. Stones Pvt. Ltd.           | 3,88,55,000           | 3,56,46,925           |
| Apollo Industries & Project Ltd. | 1,05,72,88,042        | 96,21,10,830          |
| Patan Marketyard Pvt. Ltd.       | 1,89,14,000           | 1,73,52,149           |

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

**For, DJNV & Co.**

Chartered Accountants  
FRN : 115145W

**For and on behalf of Board of Directors  
Gujarat Apollo Industries Limited**

**Devang Doctor**  
Partner  
Membership No. 039833

**Neha Chikani Shah**  
Company Secretary  
Mem. No.A25420

**Navinchandra V. Shah** **Asit A. Patel**  
Director **Managing Director**  
DIN : 03027647 **DIN : 00093332**

Place : Ahmedabad  
Date : 30.05.2019

**Bharat Dave**  
Chief Financial Officer

Place : Ahmedabad  
Date : 30.05.2019

**GUJARAT APOLLO INDUSTRIES LIMITED**

CIN: L45202GJ1986PLC009042

*Registered Office:* Block No. 486, 487, 488, Mouje Dholasan, Taluka & District Mehsana – 382732.*Corporate Office:* "Parishram", 5-B, Rashmi Society, Near Mithakhali Circle, Navrangpura, Ahmedabad – 380009.**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.

|                   |  |
|-------------------|--|
| <b>D.P. ID*</b>   |  |
| <b>Client ID*</b> |  |

**FOLIO NUMBER:****NAME AND ADDRESS OF THE SHAREHOLDER****No. of shares held:**

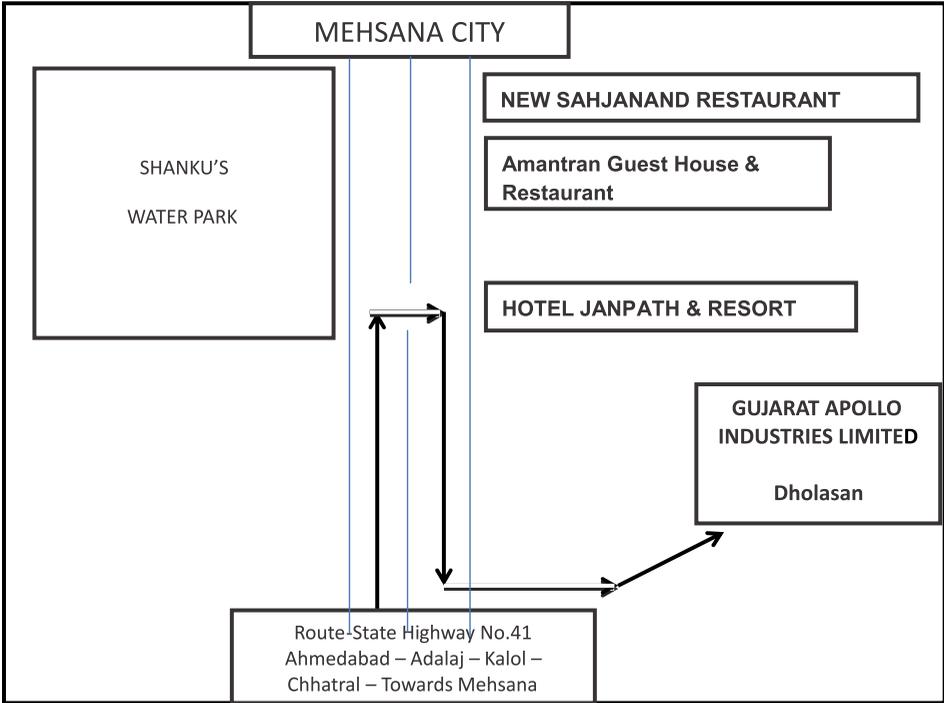
I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2019 at 11.00 a.m. at Block No. 486, 487, 488, Mouje Dholasan, Taluka & District Mehsana – 382732.

**SIGNATURE OF THE SHAREHOLDER/PROXY**

Strike out whichever is not applicable.

\* Applicable for Investor holding shares in demat form.

..... **TEAR HERE** .....



**AGM VENUE MAP**

**Form No. MGT-11**

**Proxy Form**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014**

CIN: L45202GJ1986PLC009042

Name of the Company: **GUJARAT APOLLO INDUSTRIES LIMITED**

Registered Office: Block No. 486, 487, 488, Mouje Dholasan, Taluka & District Mehsana – 382732.

Corporate Office: "Parishram", 5-B, Rashmi Society, Near Mithakhali Circle, Navrangpura, Ahmedabad – 380009.

Name of the Member(s):

Registered Address:

E-mail ID:

Folio No/Client ID&DP ID

I/We ..... of ..... being a member/members of Gujarat Apollo Industries Limited hereby appoint

1. Name: ..... Address:.....

E-mail ID:.....Signature ....., or failing him

2. Name: ..... Address:.....

E-mail ID:.....Signature ....., or failing him

3. Name: ..... Address:.....

E-mail ID:.....Signature .....

as my/our proxy to vote (on Poll) for me/us and on my /our behalf at 32<sup>nd</sup> Annual General Meeting to be held on Friday, 27<sup>th</sup> September, 2019 at 11.00 a.m. or at any adjustment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions   | Optional** |         |
|----------------|---|------------|---------|
|                |   | For        | Against |
| 1              | To receive, consider and adopt<br>a. Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.<br>b. the Audited consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon. |            |         |
| 2              | To declare dividend on equity shares  |            |         |
| 3              | To appoint Mr. Manibhai V. Patel [DIN:00115717] as a Director liable to retire by rotation  |            |         |
| 4              | To appoint Mrs. Nayna A. Patel [DIN: 05199350] as a Director liable to retire by rotation   |            |         |
| 5              | Transactions with Related parties under Section 188 of the Companies Act, 2013  |            |         |
| 6              | To re-appoint Mr. Navinchandra V Shah [DIN: 03027647] as an Independent Director of the Company for the period of 5 (five) years w.e.f. 27.09.2019  |            |         |
| 7              | To re-appoint Mr. Manibhai V. Patel [DIN:00115717] as Non Executive Director of the Company who ages beyond 75 years.   |            |         |

Signed this ..... day of .....2019

Signature of Shareholder:.....

Signature of Proxy holder .....



**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.
- a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
- For the resolutions, Explanatory Statements and Notes, please refer to the notice of 32<sup>nd</sup> AGM.
- \*\*4. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in the box before submission.





**Form No. SH-13**

**Nomination Form**

**[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014]**

To,

**GUJARAT APOLLO INDUSTRIES LIMITED**

Block No. 486, 487, 488, MoujeDholasan, Taluka & District Mehsana – 382732.

I/We .....the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person(s) in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) Particulars of Securities (in respect of which Nomination is being made)

| <b>Nature of Securities</b> | <b>Folio No.</b> | <b>No. of Securities</b> | <b>Certificate No.</b> | <b>Distinctive No.</b> |
|-----------------------------|------------------|--------------------------|------------------------|------------------------|
|                             |                  |                          |                        |                        |

2) Particulars of Nominee/s

- a) Name : .....
- b) Date of Birth : .....
- c) Father's/Mother's/Spouse Name : .....
- d) Occupation : .....
- e) Nationality : .....
- f) Address : .....
- g) E-mail ID : .....
- h) Relationship with Security holder : .....

3) In case the Nominee is a Minor

- a) Date of Birth : .....
- b) Date of attaining majority : .....
- c) Name of Guardian : .....
- d) Address of Guardian : .....

Name and Address of the Shareholder(s) : .....

Signature of the Shareholder (s) : .....

Name and Address of the Witnesses : .....

Signature of the Witness : .....



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**BANK ACCOUNT PARTICULARS / ECS MANDATE FORM**

I/We..... do hereby authorise Gujarat Apollo Industries Limited to :

- Print the following details on my/our dividend warrant.
- Credit my dividend amount directly to my Bank account by ECS.

(Strike out whichever is not applicable)

**My/our Folio No. .... DP ID No. : ..... Client A/c No.....**

**Particulars of Bank Account:**

- A. Bank Name
- B. Branch Name, Address (for Mandate only)
- C. 9 DIGIT Code number of the Bank & Branch as appearing on the MICR cheque
- D. Account Type (Saving/Current)
- E. Account No. as appearing on the cheque book
- F. STD Code & Telephone No.

I/We shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

**Mail to:**

Link Intime India Pvt. Ltd.  
506-508, Amarnath Business Centre – 1,  
Besides Gala Business Centre,  
Nr. St. Xavier's college corner,  
Off C. G. Road, Navrangpura,  
Ahmedabad - 380009

.....  
(Signature of the Shareholder)

Please attach the copy of a cheque or a blank cancelled cheque issues by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

**In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank account particulars/ECS mandate.**

BOOK-POST

TO,

If not delivered, please return to :  
GUJARAT APOLLO INDUSTRIES LIMITED  
Corporate Office : "Parishram", 5-B,  
Rashmi Society, Near Mithakhali Circle,  
Navrangpura, Ahmedabad – 380009.