

26th
<i>Annual</i>
<i>Report</i>
<i>2012-2013</i>

APOLLO

GUJARAT APOLLO INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY

CS NEHA CHIKANI SHAH

STATUTORY AUDITORS

M/s. ARVIND A.THAKKAR & CO.,
Chartered Accountants,
Ahmedabad

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

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

NOTICE

NOTICE is hereby given that the **TWENTY SIXTH Annual General Meeting** of the members of **GUJARAT APOLLO INDUSTRIES LIMITED** will be held on Thursday, the 29th day of August, 2013 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 Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Anilkumar T. Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Manibhai V. Patel, who retires by rotation and being eligible offers himself for re- appointment.
5. To appoint Auditors other than retiring auditors and fix their remuneration in this regards to consider and, if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. DNJV & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company for the financial year 2013-14 in place of retiring Auditors M/s. Arvind A. Thakkar & Co., who have shown their unwillingness for reappointment as Statutory Auditors to hold the office until the conclusion of next Annual General Meeting, and that their remuneration be fixed by mutually decided by the Board of Directors and Auditors.”

SPECIAL BUSINESS:

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

“RESOLVED that Mr. **Navinchandra V. Shah**, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 7th November, 2012 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company whose term of appointment will be liable to retire by rotation.”

By order of the Board of Directors

Place : Ahmedabad
Dated : 1st August, 2013

Neha Chikani Shah
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLE INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of special business under item No. 6 is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement, of the person seeking appointment/re-appointment as directors under item No. 3, 4 and 6 of the notice is also annexed hereto.
3. The Register of Members and Share Transfer Book of the Company will remain closed from 22nd August, 2013 to 29th August, 2013.

4. Pursuant to Section 205A (5) read with Section 205C of the Companies Act, 1956, 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 31st March, 2006 and onwards are requested to lodge their claim with the Company.
5. Members are requested to notify immediately the change in address, if any, to the Company or to the Registrar and Transfer Agents (R&TA) or with their respective Depository Participants in case the shares are in electronic form.
6. 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.
7. 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.
8. 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.
9. 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.
10. Details of the Directors seeking Appointment/Re-Appointment at the Annual General Meeting(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges):

Particulars	Mr. Anilkumar T. Patel	Mr. Manibhai V. Patel	Mr. Navinchandra V. Shah
DIN No.	00096307	00115717	03027647
Date of Birth	08.03.1944	05.01.1933	01.10.1946
Date of Appointment	07.10.1986	07.10.1986	07.11.2012
Qualifications	M.S. (Industrial Engineering), B.E.	Matriculate	M. Com., L.L.M, I.C.W.A.(I)
No. of Shares held in Company	1,62,724	2,02,639	505
List of outside Directorship(s) held on 31 st March, 2013 [excluding Private Limited Companies]	1. Apollo Construction Projects Ltd 2. Apollo Industries & Projects Ltd 3. Zam Zam Exports Ltd 4. Apollo Construction Equipments Ltd	1. Apollo Earthmovers Ltd	NIL

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

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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.

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

Item No. 6

The Board of Directors has appointed **Mr. Navinchandra V. Shah** as an additional Director of the Company w.e.f. 7th November, 2012. As per the provisions of Section 260 of the Act, the director holds office upto the date of forthcoming Annual general Meeting of the Company and is eligible for re-appointment as a director.

Mr. Navinchandra V. Shah is having a Master's degree in Commerce as well as in Law and is a qualified Cost & Works Accountant. He was an ex-Chairman for 2 consecutive terms in Sarvoday Commercial Co-op Bank Ltd., Mehsana. He has been an Executive Member of Gujarat Secondary Education Board. He has served as a Dean in the Commerce faculty of Uttar Gujarat University. He has been a Principal of V. R. Patel College of Commerce, Mehsana and he has also been a Principal of Som Lalit Institute of Management for 3 years.

Keeping in view, the vast experience and expertise knowledge of Mr. Navinchandra V. Shah, the Board is of the opinion that the Company should continue his services so as to receive his valuable suggestions for the growth of the Company and accordingly, recommends the resolution for his appointment as a regular Director, for the approval of the shareholders.

Name of the Director	Mr. Navinchandra V. Shah
Date of Birth	01/10/1946
Date of appointment	07/11/2012
Experience in specific functional area	Around 30 years of experience in the field of education, finance, advisory, management consultancy, etc.
Directorship in other public limited company/ies	NIL

None of the directors is in any way, concerned or interested in the above said resolutions.

By order of the Board of Directors

Place : Ahmedabad
Dated : 1st August, 2013

Neha Chikani Shah
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **Twenty Sixth** Annual Report for the year ended 31st March, 2013.

FINANCIAL PERFORMANCE:

(₹ in Lacs)

	Current Year 2012-13	Previous Year 2011-12
Sales (Net of Excise) and other Income	20,535.37	21,777.97
Profit before Interest, Depreciation and taxes	3,587.93	3,624.31
Less:		
Depreciation	388.24	349.24
Interest	545.91	465.65
Exceptional Item	359.70	—
Provision for Taxation	810.00	850.00
Deferred tax liability	32.75	134.62
Net Profit	2,170.73	1,824.79
Add : Profit & Loss Account Balance B/F	1,902.36	1,559.17
Amount available for proposed Appropriations	4,073.09	3,383.96
Proposed Dividend	1,657.50	414.37
Transfer to General Reserve	500.00	1,000.00
Provision for tax on dividend	268.89	67.22
Balance carried to Balance Sheet	1,646.70	1,902.36

OPERATIONAL REVIEW:

During the year under review, the Company had a turnover of ₹ 20,535.37 Lacs against ₹ 21,777.97 Lacs in the previous year with total expense of ₹ 17,511.60 Lacs against ₹ 18,647.74 Lacs in the previous year. The Company's Profit before exceptional items and tax was ₹ 2,653.78 Lacs (Previous Year ₹ 2,809.41). After considering the profit on sale of investment amounting to ₹ 359.70 Lacs and the tax including deferred tax of ₹ 842.75 Lacs, the Company has earned a net profit of ₹ 2,170.73 Lacs as compared to net profit of ₹ 1,824.79 Lacs in the previous year. The EPS of the Company for the year 2012-2013 is ₹ 13.10.

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

DISCONTINUING OPERATIONS:

During the year, under review, your Company has executed a Business Transfer Agreement (BTA) for a strategic joint venture with Switzerland based Ammann Group. Your Company and its wholly owned subsidiary, Apollo Earthmovers Limited (AEML) have transferred their respective identified businesses, being the entire product portfolio of asphalt plants and paver business, excluding, crushing and screening business of GAIL, on 10.04.2013 to Apollo Construction Equipments Limited (ACEL) now Ammann Apollo India Private Limited (AAIPL) on slump sale basis. The transaction was approved by the shareholders through postal ballot procedure. The said deal was closed by discharging the payment as per definitive agreements by and between the joint venture parties. At

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present, Ammann Group holds 70% equity of AAIPL and balance 30% is retained by AEML, wholly owned subsidiary of GAIL.

RECOGNITION:

During the year, under review, your Company was awarded for being the "2nd Fastest Growing Construction Equipment Company in India" by ASAPP Media Information Group (Publication – Construction World).

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 10/- per share on Equity Shares of the Company amounting to ₹ 1,657.50 Lacs on 1,65,75,000 Equity shares of the Company. The dividend will be payable to the members, whose names appear on the register of members on 21st August, 2013.

DEPOSITS:

During the year under review, the Company has accepted/ renewed deposit from public/ shareholders within the provisions of Section 58A of the Companies Act., 1956 as amended and rules made there under. The Company has complied with the provisions of the relevant Rules. There is no overdue deposit as on 31st March, 2013.

CONSOLIDATED ACCOUNTS:

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. The audited consolidated financial statements received from subsidiaries as approved by their respective Board of Directors have been prepared in accordance with Accounting Standards- 21 (AS – 21) on the Accounting for investment in Associates.

SUBSIDIARY COMPANIES:

Pursuant to the provisions of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular No: 2/ 2012 dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2013 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices/registered offices of the respective subsidiary companies. The Company shall furnish a copy of the details of annual accounts of subsidiaries to any member on demand.

RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("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 have been followed and that no material departures have been made from the same.
- that they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period.
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that they have prepared the Annual Accounts on a going concern basis.

DIRECTORS:

During the period under review Mr. Navinchandra V. Shah was appointed as an additional director of the Company.

During the period, Dr. N. T. Patel, Independent Director of the Company has conveyed his decision not to continue his directorship and placed his resignation which was accepted by the Board of Directors in its meeting held on 07.11.2012. The Directors places their appreciation towards the valuable contribution made by him during his tenure.

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

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 Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

PERSONNEL:

During the year, the relations between the Management and the employees of the Company have been very cordial. Particulars of employees as required under the provisions of section 217(2) (A) of the companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in Annexure "B" which forms part of this report.

CORPORATE GOVERNANCE:

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

AUDITORS:

M/s. Arvind A. Thakkar & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and shown their unwillingness for reappointment as Statutory Auditors of the Company and in their place M/s. DNJV & Co., Chartered Accountants are appointed as Statutory Auditors of the Company for the financial year 2013-14. The Auditors have confirmed that their appointment, if made, would be within limit prescribed under section 224(1B) of the Companies Act, 1956 and they are not disqualified, within the meaning of Sub-Sections (3) and (4) of Section 226 of the Companies Act, 1956. Members are requested to consider their appointment.

COMMENTS ON AUDITORS' REPORT:

There is no adverse comment in the Auditors' Report which requires any further explanation under Section 217 (3) of the Companies Act, 1956.

COST AUDITORS:

M/s. P. D. Modh & Associates, Cost Accountants, Ahmedabad have been appointed as a Cost Auditors' of the Company for the financial year 2013-14.

ACKNOWLEDGEMENT:

Your Directors places on record their sincere appreciation for the continuous support and co-operation received from the Business Associates including vendors, customers and Banks. Your Directors greatly appreciates overwhelming co-operation, 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 : 1st August, 2013**

**Anand A. Patel
Whole-Time Director**

**Anil T. Patel
Director**

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ANNEXURE "A" TO DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:	2012-13	2011-12
Power & Fuel Consumption		
1. Electricity :		
a. Purchased :		
Units	11,25,172	10,32,948
Total Amount (₹)	85,67,108	71,49,276
Rate/unit (₹)	7.61	6.92
b. Own generation	NIL	NIL
2. Coal :	NIL	NIL
3. Furnace Oil :	NIL	NIL
4. L.P.G Quantity (Kg.)	10,393	10,737
Total cost (₹)	7,73,620	6,52,002
Rate / Unit (₹)	74.44	60.74

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 of hydrostatic paver finisher.

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

c) Particulars of technology imported during the past 5 years:

A. (1) Technology Imported :

(i) Technology relating to the manufacture of Crushers, Feeders, Screens, Conveyers etc.

(ii) Year of Import: 2006

(iii) Has the technology been absorbed:

Technology has been partially absorbed.

(iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions. Technology for the other models is under development and absorption.

(2) Technology Imported:

(i) Vibratory Compactor

(ii) Year of Import: 2007

(iii) Has the technology been absorbed: Technology has been partially absorbed.

(iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions. Technology for the other models is under development and absorption.

B. FOREIGN EXCHANGE EARNING AND OUTGO:

The required information is contained in the Notes to the Accounts, Note No. 30 to 32, 34 and 35.

ANNEXURE – "B" TO THE DIRECTORS' REPORT

Statement showing the particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2013.

(A) Employed through out the year

Sr. No.	Name	Age/ yrs	Designation	Remuneration	Qualification & Experience	Date of Employment	Last Employment	% of Equity Shares held by the employee
1.	Mr. Asit A. Patel	44 years	Managing Director	65,45,376/-	B.S (USA) (Engineering Management) (21 Years)	25/06/1994	—	8.76%

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

The year that was.....:

FY 2012-13 was a significant year for the Company as it entered into a deal transferring its identified road construction equipment manufacturing business of asphalt plants and pavers (excluding the Crushing and Screening business) to its step down subsidiary on slump sale basis which in turn has entered into a Joint Venture (JV) with a Switzerland based Road Construction major, Ammann Group. As a result of which, at present the JV partners holds 70% and the balance 30% shares are now held by Apollo Earthmovers Limited (AEML), Wholly owned subsidiary of Gujarat Apollo Industries Limited (GAIL).

GAIL shareholders would benefit by value accretion owing to 30% economic interest in the equity shareholding of JV Company which has a good scope in the market. The Company intends to utilize the sale proceeds realized by GAIL towards the advancement of its Crushing and Screening business and in pursuing diversified business activities to continue to build value for its shareholders. The Company will aim at investing these funds in creating its strong position and share in this market by exploring strategic alliances, new technologies, creating world class facilities and thereby enhancing shareholder value. Besides this, GAIL will also explore and exploit any opportunity in diversified business outside road building equipment business space.

The management has and will continue to strive in protecting the interests of all the stakeholders thus justifying the trust and confidence reposed on them by the stakeholders. The management has always adopted an unbiased attitude in all its actions and has consistently followed the practice of transparency. The management firmly believes in profit sharing and has made sincere efforts to fulfill the expectations of the stakeholders.

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

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

1. Total Income of the Company is ₹ 21,099.53 Lacs.
2. Profit Before exceptional items and Tax of the Company is ₹ 2,653.78 Lacs.
3. Profit Before Tax of the Company is ₹ 3,013.48 Lacs.
4. Profit after Tax is ₹ 2,170.73 Lacs.
5. Earning per Share is ₹ 13.10.

Due to the volatile economic conditions, leading the market to become challenging, the sale during the FY 2012-13 has reduced marginally as compared to FY 2011-12. The main reason for this low growth is a slowdown in awarding of the contracts by National Highways Authority of India (NHAI) due to a variety of reasons. Against the original target of awarding 8,800 km, which was increased to 9,500 km by PMO mid-year; the target actually was lowered to 8,500 km and then to 5,000 km. However, NHAI ended up awarding only 1,100 km during the year under review. According NHAI, award of projects is a market-driven phenomenon and NHAI is now looking to award projects only on engineering procurement and construction (EPC) basis as against the earlier model BOT as most developers do not want to bid for the later due to funding constraints.

The overall economic conditions in the country did not meet with the original estimates. In FY 2012-13, your company experienced uneven periods of growth. The first half was at best a steady performance while the second half provided the major growth. Your Company was always alive to the market conditions and with a combination of dedicated efforts, experience and expertise managed to obtain maximum mileage in a difficult environment. Taking cognizance of this difficult period, in the year under review the Company relied less on market money and met the needs primarily out of internal accruals thereby reducing the interest burden.

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

GUJARAT APOLLO INDUSTRIES LIMITED

Industry Structure:

India continues to be one of the most promising of BRIC Countries. International Companies are looking at India for growth. But for the trying economic conditions in many parts of the globe the industry would have witnessed a far higher level of investments. Though there is an overcapacity in the global system but Large Global clients have plans to invest billions of dollars in several mega projects over the next few years which augur well with the demand led growth.

The Crushing & Screening market segment in India is a part of Mining Sector and is experiencing challenging environment. Your company is working hard to build up the enable market share in this segment.

The Company has also identified opportunities in the export markets. One unit exported to Australia has found good response and likely to generate further opportunities.

MAIN FOCUS AREAS AND APPLICATIONS:

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

OPPORTUNITIES, THREATS, RISK AND CONCERN:

Opportunities:-

Customers are looking for quality Crushing and Screening equipment at affordable prices and your company hopes to fill in this segment.

Threats, Risks and Concerns:-

- The Global Economy is going through a trying period. Growth is sluggish. The highlights of the Economic Survey FY 2012-13 reveals that even the Indian Economy is estimated to have a slower growth of 6.0% as compared to the average growth of 8.4% from 2003 to 2011. This may result in caution in the entry of foreign players and investment in India as a whole and infrastructure segment in particular.
- The share of the industrial sector in the GDP is just 27% and this sector is witnessing major ups and downs.
- Competition will be severe as there are quite a few local players in this field who sustain on offering low prices. This may lead to the Company not being in a position to realize higher prices for its products and services.
- This combined with higher input costs will exert pressure on the margins.

Outlook:

The Company sees a good outlook in the coming years for Crushing and Screening business on its own. With the existing cash balances, the Company can mobilize the funds and venture in diversified business activities, outside of road construction equipment business. 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. It has worked on SAP environment covering the activities relating to manufacturing of equipment and distribution of spare parts across all the offices in the country during the year. The Internal Control is formed as such to avoid unnecessary losses, and to ensure proper record of transactions, reliable financial reporting, safeguarding of assets and adherence to management policies. The Internal Control system is adequately equipped so as to suggest proper changes that are required in the system to improve performance and minimize losses.

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

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

Human Resources:

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

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

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

Comments on Financial Performance with respect to Operational Performance:

During the Financial year under review, the Net Turnover of the Company has marginally decreased to ₹ 21,099.53 lacs as compared to ₹ 22,272.05 lacs in the previous financial year. The profits of the Company though increased as compared to the previous financial year due to profit on sale of Shares keeping overall terms of profitability remaining unaffected, in absolute terms. The profit before exceptional items and tax is ₹ 2,653.78 Lacs. The Profit before Tax (PBT) is ₹ 3,013.48 lacs, whereas, Profit after Tax is ₹ 2,170.73 lacs in the current year. The input material cost has decreased from ₹ 14,209.90 lacs to ₹ 13,235.50 lacs. But due to competitive pressures and stagnant market size, the Company could not improve on the price realization as expected, though it has continued performing nearly at par with the previous 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.

GUJARAT APOLLO INDUSTRIES LIMITED

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

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, a Whole-time Director, 2 (Two) Non – Executive Directors and 2 (Two) Independent Directors, making total strength of 6 (Six). The Composition of Board is in Compliance with the requirements of Clause 49(1) A. None of the Directors of the Company was a member of more than 10 (Ten) Committees nor was the Chairman of more than 5 (Five) Committees across all Companies in which they are directors. The detailed Composition of the Board as on 31st March, 2013 along with other related information is given in the table below:

Name of the Director	Designation	Category	No. of outside Director-ship held	No. of Memberships/ Chairmanships of the other Board Committees	No. of Board meeting attended	Attendance at the last Annual General Meeting
Mr. Anilkumar T. Patel	Director	Promoter Non- Executive	6	NIL	8	Yes
Mr. Manibhai V. Patel	Director	Promoter Non- Executive	2	NIL	8	Yes
Mr. Asit A. Patel	Managing Director	Executive Director	1	2	8	Yes
Mr. Anand A. Patel	Whole-Time Director	Executive Director	1	NIL	8	Yes
Mr. Ajit T. Patel (Ceased w.e.f. 10.08.2012)	Whole-Time Director	Executive Director	2	NIL	NIL	NO
Mr. Rupesh P. Mehta	Director	Independent Non- Executive	NIL	3	8	YES
Dr. N. V. Vasani (ceased w.e.f. 26.09.2012)	Director	Independent Non- Executive	NIL	3	NIL	NO
Dr. N. T. Patel (ceased w.e.f. 07.11.2012)	Director	Independent Non- Executive	NIL	1	1	NO
Mr. Navinchandra V. Shah (appointed w.e.f. 07.11.2012)	Director	Independent Non- Executive	1	3	5	NO

During the year 2012-13, 8 (Eight) Board meetings were held, details of which are given herein below:

Date of the Board Meetings	01.05.12	11.08.12	07.11.12	19.12.12	16.01.13	08.02.13	02.03.13	15.03.13
No. of Directors present	06	05	05	06	06	06	06	06
Board Strength	08	07	06	06	06	06	06	06

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

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

AUDIT COMMITTEE:

The Audit Committee comprising of the following Directors was reconstituted by the Board of Directors in its meeting held on 07.11.2012.

The terms of reference of the Audit Committee are as per the guidelines as set out in the listing agreement with the stock exchanges 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 of Audit committee is as under:

Name of the Director	Designation	Category
Mr. Rupesh P. Mehta	Chairman	Independent Non- Executive Director
Mr. Navinchandra V. Shah	Member	Independent Non- Executive Director
Mr. Asit A. Patel	Member	Managing Director

During the year the committee held 4 (Four) meetings on 01.05.2012, 11.08.2012, 07.11.2012, 08.02.2013. The time gap between two meetings was not more than four months.

REMUNERATION COMMITTEE:

The Remuneration Committee was re-constituted by the board of directors at its meeting held on 07.11.2012 with terms of reference remaining unchanged.

Composition:

Name of the Director	Designation	Category
Mr. Rupesh P. Mehta	Chairman	Independent Non- Executive Director
Mr. Navinchandra V. Shah	Member	Independent Non- Executive Director

During the year the committee held 1 (One) meeting on 11.08.2012.

Terms of reference:

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

1. Recommend and review the remuneration package, service agreement and other employment conditions including actual salary, allowances, perquisites retivals and increments of Managerial Personnel like Managing Director and Whole-Time Directors under the provisions of Companies Act, 1956
2. Recommend and review the remuneration of Non-Executive Directors of the Company.
3. Decide the amount of commission payable to Directors of the Company under the provisions of Companies Act, 1956.

The Directors' remuneration and sitting fees paid/payable in respect of the financial year 2013 are given below:-

Remuneration to Managing Director and Whole-Time Director:

Mr. Asit A. Patel was paid a gross remuneration of ₹ 65,45,376/- as Managing Director. Mr. Anand A. Patel and Mr. Ajit T. Patel were paid remuneration of ₹ 41,74,288/- and ₹ 7,66,784/- respectively, as Whole-Time Directors of the Company. The remuneration includes salary, commission, other perquisites and retirement benefits.

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Remuneration to Non- Executive Directors:

The Board of Directors of the Company approved payment of commission during the year to the Director(s) who were not in Whole-Time employment of the Company in recognition of their performance during the year 2012-13 not exceeding in aggregate 1% of net profits for the financial year 2012-13, calculated under Section 198 and 309(5) of the Companies Act, after taking into account the qualifications, experience, directorship in other companies having diverse businesses, time spent on strategic matters and contribution to the Company.

A Commission @ 1% is payable to Mr. Anilkumar T. Patel and Mr. Manibhai V. Patel, the Non-Executive directors of the Company for the year 2012-13.

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

Remuneration policy:

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

SHAREHOLDERS'/ INVESTORS' GRIEVANCES COMMITTEE:

The Shareholders Grievances Committee was re-constituted by the Board of Directors on 07.11.2012 to ensure the effective redressal of the complaints of the investors. The Committee also recommends steps to be taken for further implementation in the quality and services to the investors.

Composition of the Investors Grievance Committee

Name of the Director	Designation	Category
Mr. Rupesh P. Mehta	Chairman	Independent Non- Executive Director
Mr. Navinchandra V. Shah	Member	Independent Non- Executive Director
Mr. Asit A. Patel	Member	Managing Director

During the year the committee held 2 (Two) meetings on 07.11.2012 and 08.02.2013.

Compliance Officer:

CS Neha Chikani Shah, Company Secretary is a Compliance Officer.

Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agents "M/s. Link Intime India Private Limited" at ahmedabad@linkintime.co.in. The Compliance Officer has been regularly interacting with the Share Transfer Agents to ensure that the complaints of the investors are attended without undue delay and when deemed expedient, the complaints are referred to the committee or discussed at the meetings.

During the year under review the Company received 30 (Thirty) Complaints. All the Complaints except 1 (one) were resolved to the satisfaction of the Shareholders by the Company's Registrar and Share Transfer Agent. There were no pending complaints at the beginning of the year. However, 1 (one) complaint remained pending at the end of the year; in the nature displayed as below:

Nature of Complaints	Received	Solved	Pending
Non-receipt of share certificates/Refund / Demat	29	28	01
Stock Exchange	01	01	00
SEBI	00	00	00

GENERAL BODY MEETING:

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

AGM	Date	Time	Venue	No. of Special resolutions approved
23 rd	24.09.2010	11.30 a.m.	Ditasan, Post Jagudan,	—
24 th	21.09.2011	11.00 a.m.	State Highway,	—
25 th	26.09.2012	11.00 a.m.	Mehsana- 382710	2 (Two) – detailed below

No Extra Ordinary General Meeting held during the year.

Special Resolutions in Last AGM:

In AGM held on September 26, 2012, 2 (Two) Special Resolutions were passed to pay commission, not exceeding 1% of the net profits of Company to Non-Executive Directors, as may be determined by the board of directors from time to time under the provision of the Companies Act, 1956

Postal Ballot:

During the year under review, one resolution was passed through postal ballot for transfer, sale, and/or otherwise dispose of the entire product portfolio of asphalt plants but excluding crushing and screening business as a "going concern" on a slump sale basis u/s 293(1) (a) of the Companies Act, 1956.

DISCLOSURES:

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

MEANS OF COMMUNICATION:

During the year, quarterly, half yearly and yearly (unaudited) Financial Results of the Company were submitted to the Stock Exchanges immediately after the Board meeting approved the same and were published in the Economic Times - English and Gujarati Newspaper/s.

The Quarterly results are also updated on the Company's website www.apollo.co.in.

GENERAL SHAREHOLDERS' INFORMATION:

Financial Year	:	1 st April, 2013 to 31 st March, 2014.
Financial Calendar		
a) First Quarter Results	:	by 15 th August, 2013
b) Second Quarter Results	:	by 15 th November, 2013
c) Third Quarter Results	:	by 15 th February, 2014
d) Fourth Quarter Results	:	by 30 th May, 2014

Annual General meeting for the year 2012-13

- Date	:	29 th August, 2013
- Time	:	11.00 A.M.
- Venue	:	Block No. 486, 487, 488, Mouje Dholasan, Taluka & District Mehsana, Mehsana- 382732
Date of Book Closure	:	22 nd August, 2013 to 29 th August, 2013 (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	:	Bombay Stock Exchange Limited : National Stock Exchange of India Limited

Stock Code

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

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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, 2012	141.80	126.25
May, 2012	135.00	118.30
June, 2012	136.00	122.00
July, 2012	137.40	116.60
August, 2012	154.40	112.00
September, 2012	147.45	126.10
October, 2012	158.20	130.00
November, 2012	139.00	118.20
December, 2012	158.70	116.50
January, 2013	121.05	99.60
February, 2013	122.80	92.50
March, 2013	111.80	102.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013:

SHAREHOLDINGS	SHARE HOLDERS		TOTAL NO. OF SHARES	
	NUMBERS	% OF TOTAL	SHARES	% OF TOTAL
1- 500	9,195	86.25	14,38,541	8.68
501- 1000	666	6.25	5,14,067	3.10
1001 – 2000	346	3.24	4,91,975	2.97
2001- 3000	140	1.31	3,48,668	2.12
3001- 4000	41	0.38	1,41,545	0.85
4001 – 5000	70	0.66	3,18,807	1.92
5001- 10000	85	0.80	6,27,874	3.79
10000 & above	118	1.11	126,93,523	76.58
TOTAL	10,661	100.00	1,65,75,000	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2013:

Category	No. of Shares	% of Total Shares held
Promoters and persons acting in concert	83,78,639	50.55
Mutual Funds	12,22,475	7.38
Banks	8,166	0.05
FII' s	1,98,487	1.20
Foreign Nationals	2,71,918	1.64
Bodies Corporate	11,87,858	7.17
Trust & Foundations	4,442	0.02
Public	53,03,015	31.99
Total	1,65,75,000	100

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

303, 3rd Floor, Shopper's Plaza, - V,

Opp. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad - 380009

Phone: 079 – 26465179 Fax: 079 - 26465179 E-mail: ahmedabad@linkintime.com

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.

RECONCILIATION OF SHARE CAPITAL AUDIT & CERTIFICATE PURSUANT TO CLAUSE 47 (C) OF THE LISTING AGREEMENT:

A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

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 Practicing Company Secretary 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 31st March, 2013, shares comprising 97.77% 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	1,10,39,287	66.60	6,951
CDSL	51,65,493	31.17	3,052
Physical	3,70,220	2.23	658
GRAND TOTAL	1,65,75,000	100	10661

PLANT LOCATION:

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

GUJARAT APOLLO INDUSTRIES LIMITED

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@apollo.co.in

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT:

In the above regards, I declare as follows:

1. The Company does have a code of conduct approved by its board of directors, which have been posted on its website.
2. All the members of the board of directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the code of conduct as applicable to the financial year ended on 31st March, 2013 which is in accordance with sub-clause I (D) of Clause 49 of the Listing Agreement.

For Gujarat Apollo Industries Limited

ASIT A. PATEL

Managing Director

CEO CERTIFICATE

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

To,
The Board of Directors,
Gujarat Apollo Industries Ltd.

We hereby certify that:

We have reviewed the financial statement and the cash flow statements for the year 2012-13 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 violent of the Company's Code of Conduct.

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

We hereby certify that:

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

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

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

ASIT A. PATEL
Managing Director

DHARMESH MASHRU
Chief Executive Officer

CERTIFICATE

To,
The Members of
Gujarat Apollo Industries Limited

We have examined the Compliance of conditions of Corporate Governance Report by Gujarat Apollo Industries Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As required by the Guidance Note issued by the Institute of Chartered Accountant of India, we have to state that the Company has maintained records to show investors grievances against the Company and have certified that as on 31st March, 2013, there were no investor grievances remaining unattended except one which was pending for a period exceeding one month.

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

For, Arvind A Thakkar & Co.
Firm Registration Number: 100571W
Chartered Accountants

A. A. Thakkar
Sole Proprietor
Membership No. 014334

Date : 1st August, 2013
Place : Ahmedabad

GUJARAT APOLLO INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Gujarat Apollo Industries Limited

Report on Financial Statement

1. We have audited the accompanying Financial Statements of Gujarat Apollo Industries Limited which comprise the Balance Sheet at 31st March 2013, Statement of Profit and Loss for the year ended on that date, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory informations, which we have signed under reference to this report.

Management's Responsibility

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standard referred to in section 211(3C) of the Companies Act 1956 of India (the "Act"). This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or errors.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain about amounts and disclosures in the financial statements. The procedures selected depends on auditor's judgement, including assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2013.
 - b. in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flow for the year ended on that date

Report on Other Legal and Regulatory Requirement

7. As required by the Companies (Auditor's Report) Order, 2003', as amended by the Companies (Auditors Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the order.

8. As required by the section 227 (3) of the Act, we report that;
- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c. The Balance Sheet and the Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of written representation received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2013 from being appointed as a director in terms of section 274(1)(g) of the Act.

For, Arvind A Thakkar & Co.
Firm Registration Number: 100571W
Chartered Accountants

Date : 30.05.2013
Place : Mehsana

A. A. Thakkar
Sole Proprietor
Membership No. 014334

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 7 of our report of even date)

- (i) In respect of its fixed assets;
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b. According to the information and explanations given to us, the Company has formulated a program of verification by which, all the assets of Company are being verified in the phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on verification conducted during the period as compared with the books records.
 - c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and accordingly to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) In respect of the loans, secured or unsecured granted or taken by the company to/from: Companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a. The Company has given interest-bearing loan to a party & interest free loan to a party. In respect of said loans, the maximum amount outstanding at any time during the year is ₹ 4,575.11 lacs and year-end balance is ₹ 4,575.11 lacs.

GUJARAT APOLLO INDUSTRIES LIMITED

- b. In our opinion and according to information and explanation given to us, the rate of interest and other terms and condition of the loans given are not prima facie prejudicial to the interest of the company.
 - c. In respect of the above loan granted there is no stipulation as regard receipt/renewal of the principal amount.
 - d. In respect of the loan given by the company, the same is repayable on demand and therefore the question of overdue amount does not arise.
 - e. The Company has not taken any loans secured or unsecured, from companies, firms or other parties, covered in the register maintained under section 301 of the companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) of the order are not applicable to the company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations give to us, having regard to the explanation that certain items purchased are of specialized nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and with regards to the sale of goods and services. During the course of our audit we have not observed any major weakness in the internal control
- (v) a. In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements refer to in section 301 Act, have been entered in the register required to be maintained under that section.
- b. In our opinion and having regard to our comments in paragraph (iv) above, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- (vi) In our opinion and according to the information and explanations give to us, the Company has complied with the provisions of Section 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order under the aforesaid Sections has been passed by the Company Law Board, National Law Tribunal, National Law Board or Reserve Bank of India or any other court or any other tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act,1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us In respect of statutory dues:
- a. The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues applicable to it.
 - b. No undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they become payable.
 - c. Details of dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax which have not been deposited as on 31st March, 2012 on account of any disputes are given below;

Nature of Dispute	For the Year	Amount (₹)	Authority
1) Sales Tax	1997-1998	10.35 Lacs	Second Appellate (Hyderabad)
2) Sales Tax	2005-2008	110.86 Lacs	Commissioner Appeals
3) Service Tax	2005-2009	20.51 Lacs	Custom Excise & Service Tax Appellate Tribunal
4) Sales Tax	2005-2006	47.45 Lacs	Joint Commissioner Appeals
5) Excise	Duty Difference	9.15 Lacs	Custom Excise & Service Tax Appellate Tribunal

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

For, Arvind A Thakkar & Co.
Firm Registration Number: 100571W
Chartered Accountants

Date : 30.05.2013
Place : Mehsana

A. A. Thakkar
Sole Proprietor
Membership No. 014334

GUJARAT APOLLO INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note	₹ As at 31.03.2013	₹ As at 31.03.2012
I. EQUITY AND LIABILITY			
1 Shareholder's Funds			
Share Capital	3	16,57,50,000	16,57,50,000
Reserves & Surplus	4	1,52,05,37,340	1,50,24,84,161
2 Non Current Liabilities			
Long term borrowings	5	8,00,68,000	8,34,68,000
Deferred tax liabilities (Net)	6	5,68,26,221	5,35,51,225
Other long term liabilities	7	87,42,236	25,95,140
3 Current Liabilities			
Short-term Borrowings	8	20,42,69,272	28,46,99,061
Trade payables	9	24,95,58,359	35,35,77,220
Other current liabilities	10	13,50,27,967	7,46,90,002
Short-term provisions	11	20,19,49,130	6,03,79,992
		2,62,27,28,525	2,58,11,94,801
II. ASSETS			
1 Non-current assets			
Fixed Assets			
(i) Tangible assets	12	61,28,90,354	61,47,20,724
(ii) Intangible assets	12	2,80,31,022	2,83,91,289
(iii) Capital work-in-progress	12	1,44,27,601	7,88,824
Non-current investments	14	45,71,93,013	47,33,09,255
Long-term loans and advances	15	7,07,32,440	16,37,14,708
Other non-current assets	16	25,35,000	1,15,79,663
2 Current Assets			
Current investments	17	5,00,000	5,00,000
Inventories	18	35,38,81,311	34,34,41,536
Trade receivables	19	35,88,11,027	45,61,52,140
Cash and cash equivalents	20	16,32,86,972	10,69,69,430
Short-term loans and advances	21	55,89,05,988	37,98,74,529
Other current assets	22	15,33,797	17,52,703
		2,62,27,28,525	2,58,11,94,801

See accompanying notes forming part of Financial Statements

As per our report of even date attached

For, Arvind A. Thakkar & Co.

Chartered Accountants

FRN 100571W

Arvind A. Thakkar

(Proprietor)

Membership No. 14334

Place : Mehsana

Date : 30.05.2013

For and on behalf of Board of Directors

Neha Chikani Shah

Company Secretary

Navinchandra V. Shah

Director

Asit A. Patel

Managing Director

Place : Mehsana

Date : 30.05.2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note	₹	
		Year ended 31.03.2013	Year ended 31.03.2012
Revenue from Operations	23	2,05,35,37,004	217,77,97,199
Other Income	24	5,64,15,857	4,94,07,531
I Total Revenue		2,10,99,52,861	222,72,04,730
Expenses			
Cost of Material Consumed	25	1,32,35,49,841	142,09,90,397
Changes in Inventories of Finished Goods, WIP & Stock in Trade	26	75,57,302	6,39,24,230
Employee Benefit Expenses	27	10,68,00,287	9,61,62,701
Other Expenses	29	31,32,52,284	28,36,96,874
II Total Expenses		1,75,11,59,714	1,86,47,74,202
III Earning before Interest, Tax, Depreciation & Amortization (EBITDA)		35,87,93,147	36,24,30,528
Depreciation and Amortization Expenses	12	3,88,23,540	3,49,24,346
Finance Cost	28	5,45,91,235	4,65,64,871
IV Profit before exceptional items & tax		26,53,78,372	28,09,41,311
Exceptional Items being Income from Sales of Investments		3,59,70,000	-
V Profit before Tax		30,13,48,372	28,09,41,311
Tax Expense:			
- Current Tax		8,10,00,000	8,50,00,000
- Deferred Tax Liability		32,74,996	1,34,62,117
VI Profit for the period		21,70,73,376	18,24,79,194
VII Earning Per Share			
Basic & Diluted EPS		13.10	11.01

See accompanying notes forming part of Financial Statements

As per our report of even date attached

For, Arvind A. Thakkar & Co.

Chartered Accountants
FRN 100571W

Arvind A. Thakkar
(Proprietor)
Membership No. 14334

Place : Mehsana
Date : 30.05.2013

For and on behalf of Board of Directors

Neha Chikani Shah
Company Secretary

Navinchandra V. Shah
Director

Asit A. Patel
Managing Director

Place : Mehsana
Date : 30.05.2013

GUJARAT APOLLO INDUSTRIES LIMITED

CASH FLOW STATEMENT

Particulars	₹ Year ended 31.03.2013	₹ Year ended 31.03.2012
I Cash Flow from Operating Activities:		
Profit before taxation and Exceptional Items	26,53,78,372	28,09,41,311
Depreciation	3,88,23,540	3,49,24,346
Interest Cost	5,45,91,235	4,65,64,871
Gain on Sale of Fixed Assets held for disposal	0	13,66,536
Surplus / Deficit on disposal of Investment (net)	-1,19,36,966	-1,62,33,146
Interest Income	-4,44,78,891	-3,31,74,385
Operating Profit before Working Capital Changes	30,23,77,290	31,43,89,533
Trade and Other Receivables	10,63,85,776	-13,14,49,938
Inventories	-1,04,39,775	9,32,78,412
Loans & Advances	-8,04,51,102	-5,44,30,316
Other Assets	2,18,906	64,30,642
Trade Payables	-10,40,18,861	13,75,53,768
Current Liabilities & Provisions	5,74,28,007	-20,94,758
Cash generated from Operations	27,15,00,241	36,36,77,343
Income tax paid (net of refunds)	-9,29,79,491	-9,69,68,579
Cash flow before exceptional Items	17,85,20,750	26,67,08,764
Exceptional Items	3,59,70,000	0
Net Cash Flow from Operating Activities - I	21,44,90,750	26,67,08,764
II Cash Flow from Investing Activities:		
Purchase of Fixed Assets	-4,85,00,902	-9,19,59,230
Sale of Fixed Assets	23,45,463	1,74,12,443
Sale of Investments	1,20,00,000	-5,64,83,303
Profit on Sale of Investment and Other Income	1,19,36,966	1,62,33,146
Interest Received	4,44,78,891	3,31,74,385
Net cash from / used in Investing Activities - II	2,22,60,418	-8,16,22,559
III Cash Flow from Financing Activities:		
Increase / (decrease) in short term borrowings	-8,04,29,789	2,28,07,196
Increase / (decrease) in long term borrowings	27,47,096	-4,66,18,860
Interest Paid	-5,45,91,235	-4,65,64,871
Dividend Paid and Tax there on	-4,81,59,698	-9,66,39,502
Net cash from / used in Financing Activities - III	-18,04,33,626	-16,70,16,037
Net increase / (decrease) in Cash & Cash Equivalents (I+II+III)	5,63,17,542	1,80,70,168
Cash & Cash Equivalent at the beginig of the year	10,69,69,430	13,32,05,262
Cash & Cash Equivalent at the end of the year	16,32,86,972	15,12,75,430

See accompanying notes forming part of Financial Statements

As per our report of even date attached

For, Arvind A. Thakkar & Co.

Chartered Accountants
FRN 100571W

Arvind A. Thakkar
(Proprietor)
Membership No. 14334

Place : Mehsana
Date : 30.05.2013

Neha Chikani Shah
Company Secretary

For and on behalf of Board of Directors

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

Place : Mehsana
Date : 30.05.2013

Notes Forming Part of Financial Statements

1 Background

Gujarat Apollo Industries Limited (APOLLO) was incorporated as a joint venture between Apollo Earthmovers Pvt. Limited and Gujarat Industrial Investment Corporation Limited (GIIC) on 7th October 1986. 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 Road Construction & Maintenance Machinery catering to the needs of the majority of the road construction companies in India and many parts of the world. Your company has consistently offered the latest technology products by entering into technology tie up with the some of the world's leading players in the industry. The technology sourced is constantly developed by the R & D team of your company based on customer feedback. Adoption of Continuous Improvement Program as a standard practice across the board, the company's products have over the years maintained a very high uptime, which is critical to stay in the lead.

The high quality standards combined with the customer driven, value for money approach has paid rich dividends to the company's performance over the years. This is manifest in the high market share that the company enjoys in all the product range with particular reference to Asphalt Batch Plants (over 65%) where the main competition is from foreign manufacturers in Europe & SE Asia. The equipment manufactured by the company as well as its subsidiary are widely used in all the NHAI & State Highways projects and the products are in line with the laid down specifications of the Government. Export has always been a thrust area and today the company's equipment are used in more than 55 countries.

2 Significant Accounting Policies

2.1 Convention and Basis of Preparation of Financial Statements

(a) Basis of Preperation of Financial Statement

These financial statements have been prepared on the accrual basis of accounting as per double entry system, under the historical cost convention. The mandatory applicable accounting standards in India and the provisions of companies Act, 1956 have been followed in preparation and presentation of these financial statements. During the year, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of Estimates

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

2.2 Tangible and Intangible Assets

(a) Tangible Assets

Cost of fixed assets comprises purchase price, duties levies and any directly attributable cost of bringing the asset to its working conditions for the intended use. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to completion of their acquisition or construction are included in the book value of the assets. All costs relating to up gradations/enhancements are generally charged off as revenue expenditure unless they bring

GUJARAT APOLLO INDUSTRIES LIMITED

significant additional benefits of lasting nature. Cenvat claimed on fixed assets is reduced from the cost of respective assets.

(b) Intangible Assets

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

(c) Depreciation and Amortisation:

Depreciation is being provided on all tangible assets on "weighted average method" as per the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Intangible assets are recognized when it is probable that the future economics benefits that are attributable to the assets will flow to enterprise and the cost of the assets measure reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at the cost less accumulated and impairment loss if any.

(d) Impairment

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

2.3 Revenue Recognition

Sales are recorded net of trade discount, rebates and include excise duty. Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Incomes from services are recognized based on agreements/ arrangements with the concerned parties. Dividend income is recognized when the right to receive dividends is established. Interest income is recognized on the time proportion method.

2.4 Inventory

Basis of Valuation

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

2.5 Investments

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

2.6 Transactions in Foreign Currency

(a) Foreign Currency Transactions

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

(b) Forward Contracts

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

2.7 Employee Benefit**(a) Gratuity**

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

(b) 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.

(c) Compensated Absences

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

2.8 Provision for Taxation

Tax expenses comprises of current, and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

2.9 Provisions and Contingencies

Contingent Liabilities are possible but not probable obligation as on the Balance Sheet date, based on the available evidence. Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities. Provisions are recognized when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

2.10 Borrowing Cost

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

GUJARAT APOLLO INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	As at 31.03.2013	As at 31.03.2012
3 Share Capital		
Authorised Share Capital		
2,00,00,000 Equity Shares of ₹ 10/- each	20,00,00,000	20,00,00,000
Issued, Subscribed, Called and Paid up Capital		
1,65,75,000 Equity Shares of ₹ 10/- each fully paid up	16,57,50,000	16,57,50,000
Total Share Capital	16,57,50,000	16,57,50,000
(a) Reconciliation of number of shares outstanding at beginning and end of the year		
Equity Shares		
Number of Shares Outstanding at the beginning of the year	16,57,50,000	16,57,50,000
Add: Issued during the year	-	-
Less: Buyback during the year	-	-
Number of Shares Outstanding at the end of the year	16,57,50,000	16,57,50,000
(b) Details of Shareholders holding more than 5% Equity Shares in the Company		
Name of Shareholder	Percentage of Holding	Percentage of Holding
Asit A. Patel	8.67%	8.67%
Anand A. Patel	7.17%	7.17%
Apollo Infratech Private Limited	5.56%	5.56%
(c) 90,25,000 (1,25,25,000) Shares out of the issued, subscribed paid up shares capital were allotted as Bonus Shares in last five years by capitalization of Securities Premium and Reserves.		
(d) Terms/rights attached to Equity Shares		
<p>The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. 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, 1956, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		

Particulars	As at 31.03.2013	As at 31.03.2012
4 Reserves & Surplus		
Security Premium Reserve	9,35,00,000	9,35,00,000
General Reserve		
As per the Last Balance Sheet	1,21,47,50,000	1,11,47,50,000
Add: Transfer from Surplus in Statement of Profit & Loss	5,00,00,000	10,00,00,000
Closing Balance of General Reserve	<u>1,26,47,50,000</u>	<u>1,21,47,50,000</u>
Surplus in Statement of Profit & Loss		
As per last Balance Sheet	19,02,36,156	15,59,16,660
Add: Net Profit / (Loss) after Tax	21,70,73,376	18,24,79,194
Less: Appropriations		
Dividend on Equity Shares		
Proposed final dividend	(16,57,50,000)	(4,14,37,500)
Income tax on dividend	(2,68,88,794)	(67,22,198)
Transfer to General Reserve	5,00,00,000	(10,00,00,000)
Closing Balance of Surplus in Statement of Profit & Loss	<u>16,46,70,738</u>	<u>19,02,36,156</u>
Foreign Currency Translation Reserve		
Opening Balance	39,98,005	-
Add: Addition During the Year	(63,81,403)	39,98,005
Closing Balance of Foreign Currency Translation Reserve	(23,83,398)	39,98,005
Total Reserves & Surplus	<u>1,52,05,37,340</u>	<u>1,50,24,84,161</u>
5 Long Term Borrowings		
Deposits (Unsecured)		
From Public	3,94,18,000	2,79,68,000
From Shareholders	4,06,50,000	5,55,00,000
Total Unsecured Long Term Loans	<u>8,00,68,000</u>	<u>8,34,68,000</u>
Total Long Term Borrowings	<u>8,00,68,000</u>	<u>8,34,68,000</u>
6 Deferred Tax		
Deferred Tax Liability as the the opening of the year	5,35,51,225	4,00,89,108
Deferred Tax Liability for Current Year on Depreciation Diff.	32,74,996	1,34,62,117
Total Deferred Tax	<u>5,68,26,221</u>	<u>5,35,51,225</u>
7 Other Long Term Liabilities		
Interest Accrued but not Due on Borrowings	87,42,236	25,95,140
Total Other Long Term Liabilities	<u>87,42,236</u>	<u>25,95,140</u>

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	As at 31.03.2013	As at 31.03.2012
8 Short Term Borrowings		
Secured Short Term Borrowings		
From Banks		
Cash Credit with State Bank of India	-	13,48,42,956
Above Cash Credit is secured against Current Assets, entire Fixed Assets and property situated at Ditasan (Mehsana), office premises at Ahmedabad and Corporate Guarantee of Apollo Earthmovers Ltd.		
Total Secured Long Term Loans	<u>-</u>	<u>13,48,42,956</u>
Unsecured Short Term Borrowings		
From Banks		
HDFC Bank	10,04,27,397	-
From Others		
Loan from Directors	97,00,000	72,00,000
Loan from Corporate Bodies	3,16,875	5,84,31,105
Deposit from Public	9,38,25,000	8,42,25,000
Total Unsecured Long Term Loans	<u>20,42,69,272</u>	<u>14,98,56,105</u>
Total Short Term Borrowings	<u><u>20,42,69,272</u></u>	<u><u>28,46,99,061</u></u>
9 Trade Payables		
Trade payables (Including Acceptances)	24,95,58,359	35,35,77,220
Total Trade Payables	<u><u>24,95,58,359</u></u>	<u><u>35,35,77,220</u></u>
10 Other Current Liability		
Interest Accrued by not due on Borrowings	43,17,599	81,07,783
Unpaid Dividends	37,10,236	39,73,691
TDS Payable	15,82,060	25,45,484
Advance from Customers	10,04,30,478	3,97,44,101
Unpaid Liabilities	2,49,87,594	2,03,18,943
Total Other Current Liability	<u><u>13,50,27,967</u></u>	<u><u>7,46,90,002</u></u>
11 Short Term Provisions		
Provision for Dividend and Dividend Tax	19,26,38,794	4,81,59,698
Provision for Managerial Remuneration	93,10,336	1,22,20,294
Total Short Term Provisions	<u><u>20,19,49,130</u></u>	<u><u>6,03,79,992</u></u>

12 Fixed Assets

ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	As On 01.04.12	Addition During the Year	Deduction During the Year	Total As On 31.03.13	Up to 31.03.12	Deduction During the Year	For the Year	Total As On 31.03.13	As on 31.03.13	As On 31.03.12
(a) Tangible Assets										
1. Freehold Land	15,96,73,948	-	-	15,96,73,948	-	-	-	-	15,96,73,948	15,96,73,948
2. Office Premises	3,87,94,714	21,79,645	5,88,000	4,03,86,359	43,30,649	1,62,868	7,54,445	49,22,226	3,54,64,133	3,44,64,065
3. Factory Building	20,37,02,122	4,22,647	-	20,41,24,769	2,70,37,685	-	65,95,622	3,36,33,307	17,04,91,462	17,66,64,437
4. Workers Quarters	1,05,83,127	-	-	1,05,83,127	6,93,722	-	1,72,505	8,66,227	97,16,900	98,89,405
5. Plant & Machinery	23,66,95,784	1,82,73,060	47,96,147	25,01,72,697	7,00,77,966	36,92,221	1,10,77,217	7,74,62,962	17,27,09,735	16,66,17,817
6. Electrical Installations	70,65,106	4,43,622	-	75,08,728	30,68,942	-	2,10,639	32,79,581	42,29,147	39,96,164
7. Furniture & Fixtures	2,63,43,853	15,71,505	1,68,162	2,77,47,196	83,25,282	55,999	16,18,221	98,87,504	1,78,59,692	1,80,18,571
8. Office Equipments	3,62,82,902	23,95,330	4,23,987	3,82,54,245	1,50,54,862	2,42,283	40,31,171	1,88,43,750	1,94,10,495	2,12,28,040
9. Vehicles	3,63,90,721	17,57,840	6,58,153	3,74,90,408	1,04,17,225	1,35,615	38,73,956	1,41,55,566	2,33,34,842	2,59,73,497
Total 12(a)	75,55,32,277	2,70,43,649	66,34,449	77,59,41,477	13,90,06,333	42,88,986	2,83,33,776	16,30,51,123	61,28,90,354	61,65,25,944
(b) Intangible Assets										
10. Technical Knowhow	3,88,79,942	-	-	3,88,79,942	2,02,11,091	-	48,63,877	2,50,74,968	1,38,04,974	1,86,68,851
11. Capitalised Software	1,82,75,313	78,18,476	-	2,60,93,789	85,52,875	-	33,14,866	1,18,67,741	1,42,26,048	97,22,438
Total 12(b)	5,71,55,255	78,18,476	-	6,49,73,731	2,87,63,966	-	81,78,743	3,69,42,709	2,80,31,022	2,83,91,289
(c) Asset Treated as Investment										
12. Freehold Land	33,01,270	-	-	33,01,270	-	-	-	-	33,01,270	33,01,270
13. Factory Building	1,89,67,151	-	-	1,89,67,151	17,22,309	-	6,33,503	23,55,812	1,66,11,339	1,72,44,842
14. Plant & Machinery	3,30,32,849	-	-	3,30,32,849	57,95,876	-	15,69,060	73,64,936	2,56,67,913	2,72,36,973
15. Furniture & Fixtures	16,09,968	-	-	16,09,968	14,96,253	-	1,01,911	15,98,164	11,804	1,13,715
16. Office Equipments	1,37,831	-	-	1,37,831	20,900	-	6,547	27,447	1,10,384	1,16,931
Total 12(c)	5,70,49,069	-	-	5,70,49,069	90,35,338	-	23,11,021	1,13,46,359	4,57,02,710	4,80,13,731
Total 12(a)+12(b)+12(c)	86,97,36,601	3,48,62,125	66,34,449	89,79,64,277	17,68,05,637	42,88,986	3,88,23,540	21,13,40,191	68,66,24,086	69,29,30,964
Previous Year	76,18,56,889	12,91,63,262	2,12,83,549	86,97,36,601	14,43,85,861	25,04,570	3,49,24,346	17,68,05,637	69,29,30,964	61,74,71,027

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	As at 31.03.2013	As at 31.03.2012
13 Capital Work in Progress		
Tangible	1,44,27,601	7,88,824
Total Capital Work in Progress	<u>1,44,27,601</u>	<u>7,88,824</u>
14 Non Current Investment		
Investment in Property	5,70,49,069	5,94,74,817
Less: Depreciation	(1,13,46,359)	(96,55,865)
Net Block (Refer 12C in Note 12)	4,57,02,710	4,98,18,952
Trade Investments		
Unquoted		
Investment in Subsidiaries		
- 36,00,000 (PY 11,99,990) Shares of ₹ 10/- each fully paid in Apollo Earthmovers Limited	31,25,63,000	31,25,33,000
- Investment in Apollo Maschinenbau GmbH (for current value, refer Note No.36)	9,89,27,303	9,89,27,303
Investment in Associates	-	1,20,30,000
- 80,000 (PY 80,000) Equity Shares of ₹ 10/- each in Apollo Construction Equipments Limited	41,14,90,303	42,34,90,303
Total Non Current Investment	<u>45,71,93,013</u>	<u>47,33,09,255</u>
15 Long Term Loans and Advances		
Advance recoverable in cash or kind	91,50,010	10,56,25,453
Inter Corporate Deposits	6,15,82,430	5,80,89,255
	<u>7,07,32,440</u>	<u>16,37,14,708</u>
16 Other Non Current Assets		
Margin Money Deposit with SBI having more than 1 Year for maturity	25,35,000	-
Trade Receivables with Long Term Maturity	-	1,15,79,663
Total Other Non Current Assets	<u>25,35,000</u>	<u>1,15,79,663</u>
17 Current Investment		
Unquoted Mutual Funds		
SBI - Mutual Fund:		
50,000 units of ₹ 10/- each fully paid up of SBI Infrastructure Fund (Market Value ₹ 3,71,240/-)	5,00,000	5,00,000
Total Current Investment	<u>5,00,000</u>	<u>5,00,000</u>
18 Inventories		
Raw Materials and bought out Spares	16,86,11,392	14,91,66,326
Stores and Tools	32,12,859	46,60,848
Semi Finished Goods	11,02,72,479	10,57,51,037
Finished Goods	7,17,84,581	8,38,63,325
Total Inventories	<u>35,38,81,311</u>	<u>34,34,41,536</u>

Particulars	As at 31.03.2013	As at 31.03.2012
19 Trade Receivables		
(a) Overdue for more than Six Months		
Considered Good	5,35,98,147	9,84,22,856
Considered Doubtful	67,32,113	-
	<u>6,03,30,260</u>	<u>9,84,22,856</u>
(b) Others		
Considered Good	29,84,80,767	35,77,29,284
Total Trade Receivables	<u>35,88,11,027</u>	<u>45,61,52,140</u>
20 Cash & Bank Balance		
A. Cash & Cash Equivalents		
(a) Cash on hand	6,85,993	39,34,757
(b) Balance with Banks		
Current Account	5,41,16,992	1,55,59,382
Deposits in bank with less than 3 months of maturity	-	7,35,00,000
	<u>5,48,02,985</u>	<u>9,29,94,139</u>
B. Other Bank Balance		
(a) Margin Money Deposit	10,47,73,750	1,00,00,000
(b) Unpaid Dividends	37,10,237	39,75,291
(c) Bank Deposit with 3 months to 12 months of maturity	10,84,83,987	1,39,75,291
Total Cash & Bank Balance	<u>16,32,86,972</u>	<u>10,69,69,430</u>
21 Short Term Loans and Advances		
Advance recoverable in cash or kind	3,94,02,991	7,33,43,739
Inter Corporate Deposits	39,59,28,457	22,21,20,674
Prepaid Expenses	1,55,42,059	24,46,279
Balance with Statutory Bodies	6,17,80,746	4,76,91,594
Advance Income Tax (Net of Provision)	4,62,51,735	3,42,72,243
Total Short Term Loans and Advances	<u>55,89,05,988</u>	<u>37,98,74,529</u>
22 Other Current Assets		
Interest Accrued on Investments	2,17,797	4,36,703
Deposit in Sardar Sarovar Narmada Nigam Limited	13,16,000	13,16,000
Total Other Current Assets	<u>15,33,797</u>	<u>17,52,703</u>
23 Revenue from Operations		
Sale of Road Construction & Maintenance Machineries & Spares	2,17,05,30,393	2,30,34,36,940
Sale of Services	5,00,03,987	4,12,18,179
Other Operating Revenues		
Sale of Scrap	1,58,09,924	1,68,01,995
Duty Drawback	49,69,882	20,58,108
Gross Total	<u>2,24,13,14,186</u>	<u>2,36,35,15,222</u>
Less: Excise Duty and Service Tax Paid	18,77,77,182	18,57,18,023
Total Revenue from Operations	<u>2,05,35,37,004</u>	<u>2,17,77,97,199</u>

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	As at 31.03.2013	As at 31.03.2012
24 Other Income		
Interest Income	4,44,78,891	3,31,74,385
Miscellaneous / Other Income	1,19,36,966	1,62,33,146
Total Other Income	<u>5,64,15,857</u>	<u>4,94,07,531</u>
25 Cost of Material Consumed		
(a) Raw Material Consumed		
Iron & Steel	42,36,72,065	39,86,09,775
Other Components	89,98,77,776	1,02,23,80,622
	<u>1,32,35,49,841</u>	<u>1,42,09,90,397</u>
Closing Stock of Raw Material and Components		
Iron & Steel	4,14,70,369	4,14,70,369
Other Components	12,71,41,023	10,76,95,957
	<u>16,86,11,392</u>	<u>14,91,66,326</u>
26 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade		
Opening Balance of		
Semi Finished Goods	10,57,51,037	17,65,08,724
Finished Goods	8,38,63,325	7,70,29,868
Total	<u>18,96,14,362</u>	<u>25,35,38,592</u>
Closing Balance of		
Semi Finished Goods	11,02,72,479	10,57,51,037
Finished Goods	7,17,84,581	8,38,63,325
Total	<u>18,20,57,060</u>	<u>18,96,14,362</u>
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	<u>75,57,302</u>	<u>6,39,24,230</u>
27 Employee Benefit Expenses		
Salaries and Wages	9,53,79,825	8,23,50,182
Contribution to Provident and Other Funds	26,55,982	30,81,747
Staff Welfare Expenses	60,00,478	56,44,363
Bonus and Gratuity	27,64,002	50,86,409
Total Employee Benefit Expenses	<u>10,68,00,287</u>	<u>9,61,62,701</u>
28 Finance Cost		
Interest	4,86,73,080	4,24,14,073
Bank Charges and Commission	48,62,412	38,51,034
Brokerage and Commission	10,55,743	2,99,764
Total Finance Cost	<u>5,45,91,235</u>	<u>4,65,64,871</u>

Particulars	As at	As at
	31.03.2013	31.03.2012
29 Other Expenses		
Stores and Tools Consumed	3,44,74,583	3,35,82,675
Power and Fuel	85,67,108	71,49,276
Labour Charges	3,82,15,584	3,13,80,969
Factory Expenses	47,24,617	48,67,905
Transportation, Cartrage and Octroi (Inward)	31,75,635	33,81,204
Repairs to Plant & Machinery	35,00,532	34,62,482
Office & Administrative Expenses (Including Director's Sitting Fees ₹ 87,500/- (Previous Year ₹ 82,500)	1,12,77,190	82,67,814
Remuneration to Auditors		
- For Audit Fees	3,50,000	3,50,000
- For Other Services	1,50,000	1,50,000
- For Reimbursement of Out of Pocket Expenses	12,777	31,543
Postage, Telephone and Telex Expenses	67,94,859	61,74,448
Travelling & Conveyance	1,66,60,581	1,64,38,425
Stationery & Printing Expenses	16,40,647	15,54,349
Professional Charges	3,18,49,486	2,28,46,076
Miscellaneous Expenses	1,39,43,553	1,39,23,618
Vehicle Running and Maintenance	58,40,491	50,66,149
Director's Remuneration	1,05,04,330	1,89,83,900
Bad Debt's Written Off (Net of Bad Debts Recovered)	1,77,23,622	11,56,750
Loss on Sale of Assets (Net)	-	13,66,536
Erection and After Sales Services	1,80,12,649	1,90,94,829
Advertisement and Sales Promotion	1,00,41,178	1,89,21,323
Commission on Sales	1,84,10,361	1,19,67,241
Freight Outward	5,86,10,726	5,35,79,362
Realised Loss on Foreign Exchange	(12,28,225)	-
Total Other Expenses	31,32,52,284	28,36,96,874
30 Earnings in Foreign Exchange (on Accrual Basis)		
A. Export of Goods		
(i) Direct on FOB Basis	42,91,16,733	25,91,00,847
(ii) Deemed Exports	-	47,68,500
B. Export of Services	5,04,392	5,85,394
31 Value of Imports on CIF Basis (on Accrual Basis)		
Raw Material & Components	4,89,67,537	7,52,51,226
Capital Goods	-	7,49,009
32 Expenditure in Foreign Currency (on Accrual Basis)		
Travelling, Professional Fees and Other Expenses	1,03,51,585	69,61,647
Commission on Sales	1,79,00,107	1,41,19,620

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	As at	
	31.03.2013	31.03.2012
33 Contingent Liabilities		
I. In respect of Bank Guarantees issued by Banks	6,26,52,202	2,22,93,630
II. In respect of Letter of Credits issued by Banks	16,30,385	13,05,070
III. Director General of Foreign Trade, Demand not Acknowledge by the company law board	1,60,96,767	1,60,96,767
IV. In respect of Sales Tax, Excise and Service Tax Demand	1,98,32,000	1,93,33,781
V. Liability on Account of Non fulfillment under EPCG Scheme (the same has not been provided in the books as the company is of the opinion that the required exports would be made in stipulated time as prescribed in the scheme).	19,83,00,000	1,01,33,537
VI. In respect of Corporate Guarantee given to a subsidiary	1,73,85,950	1,89,33,750
VII. In respect of Demand for Additional Stamp Duty on Purchase of Office Premises by Deputy Collector (Revenue) Ahmedabad	19,81,300	-

34 Segment Reporting

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

Description

Export Sales	42,96,21,125	25,96,86,241
Domestic Sales	1,62,39,15,879	2,10,38,28,980
Total	2,05,35,37,004	2,36,35,15,221

35 Details of Raw Material Consumed

Particulars	31.03.2013		31.03.2012	
	%	Amount	%	Amount
Imported	5.88%	7,78,28,869	4.66%	6,62,86,949
Indigenous	94.12%	1,24,57,20,972	95.34%	1,35,47,03,448
Total	100%	1,32,35,49,841	100%	1,42,09,90,397

36 Investment in Foreign Subsidiary

There is further diminution in the value of investment in Apollo Maschinenbau, GmbH, Germany to the extent of ₹ 2,31,23,446/- (PY ₹ 3,86,86,181/-), on the basis of annual accounts of this subsidiary as on 31.03.2013, for which no provision has been made since the management is expecting positive turnaround in coming years.

37 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

No amount is payable to Suppliers' registered under the Micro, Small and Medium Enterprise Development, Act 2006. No interest has been paid / payable by the company during the year to the Suppliers' covered under the Micro, Small and Medium Enterprise Development, Act 2006. The above information takes into account only those suppliers who have responded to inquiries made by the company for this purpose.

38 Disclosures as per AS 15

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

The company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of services gets a gratuity on departure at 15 days salary (taking last drawn as a base) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying

insurance policy. The future contribution payable by the company under the gratuity scheme is currently not ascertainable.

Details of Provision Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit obligation	1,53,83,371	1,41,69,117	35,15,469	36,22,218
Fair Value of Plan Assets	1,79,76,683	1,70,97,730	43,73,190	40,09,506
Plan (Assets) Liabilities	(25,93,312)	(29,28,613)	(8,57,721)	(3,87,288)
Change in Defined Benefit obligation				
Op. Present Value of Obligation	1,41,69,117	1,15,17,325	36,22,218	30,63,089
Current Service Cost	16,65,007	14,32,930	2,38,685	1,79,150
Interest Cost	11,33,529	9,21,386	2,89,777	2,45,047
Actuarial (Gain)/Loss on Obligation	(6,52,177)	6,26,506	(4,27,119)	2,68,834
Benefit Paid	(9,32,105)	(3,29,030)	(2,08,092)	(1,33,902)
Cl. Defined Benefit obligation	1,53,83,371	1,76,84,586	35,15,469	36,22,218
Change in fair value of Plan Assets				
Op. Fair Value of Plan Assets	1,70,97,730	1,38,74,148	40,09,506	37,64,749
Expected Return on Plan Assets	15,31,130	12,63,606	3,78,129	3,42,250
Contribution by Employer	-	22,89,006	1,93,647	36,409
Benefit Paid	(6,52,177)	(3,29,030)	(2,08,092)	(1,33,902)
Actuarial (Gain)/Loss on Plan Assets	-	-	-	-
Cl. Fair Value of Plan Assets	1,79,76,683	2,14,70,920	43,73,190	40,09,506
Net Period Gratuity cost				
Current Service Cost	16,65,007	14,32,930	2,38,685	1,79,150
Interest Cost on Benefit Obligation	11,33,529	9,21,386	2,89,777	2,45,047
Net Actuarial (Gain)/Loss recognised in the year	(9,32,105)	6,26,506	(4,27,119)	2,68,834
Expected Return on Plan Assets	(15,31,130)	(12,63,606)	(3,78,129)	(3,42,250)
Net Benefit Expenses	3,35,301	14,40,430	(2,76,786)	3,50,781

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:
Investment with insurer (Life Insurance Corporation of India)

Assumptions:

Discount Rate	-	8%
Expected Rate of Return on Plan Assets	-	8%
Employee Turnover	-	1% to 3%
Salary Escalation	-	7%

39 Related Party Disclosures

A. List of Related Parties with whom Transactions have taken place during the year

(i) Name of the Related Parties	Short Name	Nature of the Relationship
(a) Apollo Industries & Projects Limited	AIPL	Associate
(b) Apollo Earthmovers Limited	AEML	Subsidiary
(c) Apollo Maschinenbau GmbH, Germany	AMG	Subsidiary
(d) Zam Zam Exports Limited	ZZEL	Associate
(e) Apollo Construction Equipments Limited	ACEL	Associate
(f) Tribhuvan Industries Limited	TIL	Associate
(ii) Key Managerial Personnel	Short Name	Nature of the Relationship
(a) Mr. Asit A. Patel	KMP	Managing Director
(b) Mr. Anand A. Patel	KMP	Whole Time Director
(c) Mr. Anil T. Patel	KMP	Director
(d) Mr. Ajitkumar T. Patel	KMP	Whole Time Director (till 09.08.12)
(e) Mr. Manibhai V. Patel	KMP	Director

GUJARAT APOLLO INDUSTRIES LIMITED

Transaction with related parties

Particulars	TIL	AIPL	ACEL	AEML	AMG	ZZEL	KMP
Sales Service & Other Income	1,55,18,758	-	2,78,24,355	2,30,23,446	1,04,80,115	-	-
	-	-	1,86,94,671	2,11,77,769	2,42,92,983	-	-
Purchase of Raw Material & Component & Services	3,78,34,252	-	11,99,68,282	13,02,37,130	-	-	-
	-	-	10,16,25,515	15,78,42,451	72,48,641	-	-
Interest and Other Expenditure	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Intercompany Deposits Given / (Returned)	-	(24,40,00,084)	-	45,40,42,687	-	-	-
	-	(92,50,000)	-	(7,84,52,101)	1,93,09,250	(1,00,03,888)	70,00,000
Intercompany Deposits (Taken) / Repaid	-	-	-	-	-	-	(25,00,000)
	-	-	-	-	-	-	-
Interest Income	-	2,43,10,456	-	46,59,580	-	-	-
	-	2,46,45,411	-	11,18,062	-	6,94,772	-
Salary, Commission on Profit	-	-	-	-	-	-	1,36,27,990
	-	-	-	-	-	-	1,89,82,900
Purchase of Capital Assets	-	-	38,48,717	-	-	38,48,717	-
	-	-	-	-	-	-	-
Purchase and Sale of Shares	-	-	-	4,80,00,000	-	-	-
	-	-	-	-	-	-	-
Outstanding Balance as on 31st March 2013							
Due to Company	38,34,716	-	91,97,540	43,78,017	2,69,78,517	-	-
	-	-	60,68,618	29,46,826	1,64,98,402	-	-
Payable by Company	29,10,043	-	2,11,82,603	71,76,662	74,952	6,08,263	-
	-	-	3,09,13,010	11,41,45,106	-	-	7,49,714
Intercompany Deposits (Receivable) / Payable	-	-	-	(39,59,28,457)	(5,80,89,255)	-	97,00,000
	-	22,21,20,673	-	(5,81,14,230)	(5,80,89,255)	-	72,00,000

40 Discontinuing Operations

Gujarat Apollo Industries Limited (GAIL) has executed an agreement for a strategic joint venture with Switzerland based Ammann Group. GAIL and its wholly owned subsidiary (WOS), Apollo Earthmovers Limited (AEML) has been transferred their respective identified businesses, being the entire product portfolio of asphalt plants and the paver business excluding crushing and screening business of GAIL, on 10/04/2013 to Apollo Construction Equipments Limited (ACEL) on slump sale basis. which has been discharged by payment on Closing as per the definitive agreements between the joint venture parties. Now Ammann Group hold 70% of the equity of ACEL and balance 30% is held by AEML, WOS of GAIL.

As per our report of even date attached

For, Arvind A. Thakkar & Co.

Chartered Accountants

FRN 100571W

Arvind A. Thakkar
(Proprietor)
Membership No. 14334

Place : Mehsana
Date : 30.05.2013

Neha Chikani Shah
Company Secretary

For and on behalf of Board of Directors

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

Place : Mehsana
Date : 30.05.2013

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

Sr. No.	Particulars	Name of the Subsidiary Company		
		Apollo Earthmovers Limited	Sunrise Technologies Private Limited	Apollo Maschinenbau GmbH
1	Country of Incorporation	India	India	Germany
2	Reporting Currency	INR	INR	Euro
3	Capital	3,60,00,000	5,00,000	9,89,27,303
4	Reserve	64,76,08,684	(14,02,023)	6,07,25,736
5	Total Assets	125,23,18,183	92,68,298	18,47,10,845
6	Total Liabilities	56,87,09,499	1,01,79,075	14,65,09,278
7	Investments	52,40,61,111	0	0
8	Turnover	64,66,78,202	46,53,000	10,88,86,669
9	Profit Before Taxation	9,60,66,477	(30,85,331)	2,31,23,446
10	Provision for Taxation	3,60,00,000	0	0
11	Profit After Taxation	5,94,64,181	(3,07,65,777)	2,31,23,446
12	Proposed Dividend	0	0	0

Note :

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

GUJARAT APOLLO INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors
Gujarat Apollo Industries Limited

Report on consolidated financial statement

1. We have audited the accompanying Consolidated Financial Statements (the "Consolidated Financial Statements") of Gujarat Apollo Industries Limited (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group" refer Note No. 2.1(c) to the attached consolidated financial statement), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report. The Consolidated financial Statements include investment in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standard) Rules, 2006.

Management's Responsibility for the Consolidated Financial Statement

2. The Company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standard on Auditing issued by Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the company's preparation and presentation of the Consolidated Financial Statement that give a true and fair view in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also include evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Consolidated Financial Statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best our information and according to the explanation given to us, and based on the consideration of the reports of other auditors on the financial statement of the subsidiaries and associates referred to below in the 'Other Matter' paragraph, the aforesaid Consolidate Financial Statement give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - b. In the case of the Consolidated Statement of Profit and loss, of the profit of the Group for the year ended on that date; and

- c. In the case of Consolidated Cash Flow Statements of cash flow of the Group for the year ended on that date.

Other Matter

7. In respect of the financial statement of one of the subsidiary, we did not carry out the audit. This financial statements have been audited by other auditor whose reports have been furnished to us and our opinion, in so far as it relates to the amount included in respect of this subsidiary is based solely on the report of other auditor. The details of assets and revenue in respect of this subsidiary whose financial statements reflect total assets of ₹ 12,523.18 Lacs as at 31st March, 2013, the total revenue of ₹ 6,466.78 Lacs, net profit of ₹ 594.64 Lacs and net cash outflow amounting to ₹ 349.67 Lacs for the year ended on that date.
8. We further report that in respect of the foreign subsidiary, we did not carry our the audit. These financial statement have been certified by management and have been furnished to us and in our opinion, in so far as it relates to the amount included in respect of this subsidiary is based solely on these certified financial statement.

Since financial statement for the year ended March 31, 2013, which was compiled by the management of that company were not audited, any adjustment to their balances could have consequential effect on the attached consolidate financial statement. However the size of these subsidiary whose financial statements reflect total assets of ₹ 1847.10 Lacs as at March 31, 2013, the total revenue of ₹ 1088.87 Lacs, net loss of ₹ 199.19 Lacs and net cash outflow amounting to ₹ 147.00 Lacs for the year ended on that date.

For, Arvind A Thakkar & Co.
Firm Registration Number: 100571W
Chartered Accountants

A. A. Thakkar
Sole Proprietor
Membership No. 014334

Date : 30.05.2013
Place : Mehsana

GUJARAT APOLLO INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note	₹ As at 31.03.2013	₹ As at 31.03.2012
I. EQUITY AND LIABILITY			
1 Shareholder's Funds			
Share Capital	3	16,57,50,000	16,57,50,000
Reserves & Surplus	4	1,85,77,61,648	1,80,59,91,669
2 Non Current Liabilities			
Long term borrowings	5	9,91,01,035	11,43,81,602
Deferred tax liabilities (Net)	6	6,76,27,154	6,37,49,862
Other long term liabilities	7	5,52,86,898	25,95,140
3 Current Liabilities			
Short-term Borrowings	8	46,37,48,386	33,57,74,218
Trade payables	9	26,70,33,338	28,03,79,949
Other current liabilities	10	38,34,28,078	11,78,69,209
Short-term provisions	11	21,30,47,174	6,54,50,992
4 Minority Interest		-	5,201
		3,57,27,83,711	2,95,19,47,842
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	12	76,99,98,087	75,26,24,242
(ii) Intangible assets	12	7,02,52,717	6,66,99,038
(iii) Capital work-in-progress	13	1,44,27,601	27,16,012
(b) Non-current investments	14	56,97,63,821	11,75,28,063
(c) Long-term loans and advances	15	1,28,53,540	10,77,41,809
(d) Other non-current assets	16	25,35,000	1,15,79,663
2 Current Assets			
(a) Current investments	17	5,00,000	5,00,000
(b) Inventories	18	56,56,82,368	61,92,87,379
(c) Trade receivables	19	42,24,69,614	50,08,36,791
(d) Cash and cash equivalents	20	20,01,74,131	14,76,95,687
(e) Short-term loans and advances	21	93,27,79,182	61,72,71,775
(f) Other current assets	22	1,13,47,651	74,67,383
		3,57,27,83,711	2,95,19,47,842

See accompanying notes forming part of Financial Statements

As per our report of even date attached

For, Arvind A. Thakkar & Co.

Chartered Accountants
FRN 100571W

Arvind A. Thakkar
(Proprietor)
Membership No. 14334

Neha Chikani Shah
Company Secretary

Place : Mehsana
Date : 30.05.2013

For and on behalf of Board of Directors

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

Place : Mehsana
Date : 30.05.2013

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note	₹	
		Year ended 31.03.2013	Year ended 31.03.2012
Revenue from Operations	23	2,54,66,00,029	2,65,19,63,643
Other Income	24	13,10,10,216	8,27,62,323
I Total Revenue		2,67,76,10,245	2,73,47,25,966
Expenses			
Cost of Material Consumed	25	1,62,63,42,649	1,74,84,50,262
Changes in Inventories of Finished Goods, WIP & Stock in Trade	26	2,59,51,776	4,34,79,573
Employee Benefit Expenses	27	17,98,02,105	15,78,45,446
Other Expenses	29	38,59,26,636	31,61,97,589
II Total Expenses		2,21,80,23,166	2,26,59,72,870
III Earning before Interest, Tax, Depreciation &			
Amortization (EBITDA)		45,95,87,079	46,87,53,096
Depreciation and Amortization Expenses	12	5,50,85,318	4,95,44,169
Finance Cost	28	6,97,09,937	5,44,26,097
IV Profit before exceptional items & tax		33,47,91,824	36,47,82,830
Exceptional Items being Income from Sales of Investments		3,59,70,000	26,89,535
V Profit before Tax		37,07,61,824	36,74,72,365
Tax Expense:			
- Current Tax		11,70,00,000	11,75,00,000
- Deferred Tax Liability		38,77,292	1,70,12,009
VI Profit for Minority Interest		24,98,84,532	23,29,60,356
Minority Interest		-	568
VII. Profit for the period		24,98,84,532	23,29,59,788
Earning Per Share			
Basic & Diluted EPS		15.08	14.05

See accompanying notes forming part of Financial Statements

As per our report of even date attached

For, Arvind A. Thakkar & Co.

Chartered Accountants
FRN 100571W

Arvind A. Thakkar
(Proprietor)
Membership No. 14334

Place : Mehsana
Date : 30.05.2013

Neha Chikani Shah
Company Secretary

For and on behalf of Board of Directors

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

Place : Mehsana
Date : 30.05.2013

GUJARAT APOLLO INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Particulars	₹ Year ended 31.03.2013	₹ Year ended 31.03.2012
I Cash Flow from Operating Activities:		
Profit before taxation and Exceptional Items	33,47,91,824	36,47,82,830
Depreciation	5,50,85,318	4,95,44,169
Interest Cost	6,97,09,937	5,44,26,097
Gain on Sale of Fixed Assets held for disposal	25,45,325	13,66,536
Surplus / Deficit on disposal of Investment (net)	-4,46,72,416	-2,29,10,224
Interest Income	-8,63,37,800	-5,98,52,099
Operating Profit before Working Capital Changes	33,11,22,188	38,73,57,309
Trade and Other Receivables	8,74,11,840	-14,06,40,063
Inventories	5,36,05,011	6,85,38,491
Loans & Advances	-20,84,04,588	-7,51,35,437
Other Assets	-38,80,268	64,30,642
Trade Payables	-1,33,46,611	6,19,97,582
Current Liabilities & Provisions	26,86,70,754	-12,76,808
Cash generated from Operations	51,51,78,327	30,72,71,716
Income tax paid (net of refunds)	-13,46,90,309	-13,72,18,472
Cash flow before exceptional Items	38,04,88,018	17,00,53,244
Exceptional Items	3,59,70,000	0
Net Cash Flow from Operating Activities - I	41,64,58,018	17,00,53,244
II Cash Flow from Investing Activities:		
Purchase of Fixed Assets	-9,48,28,564	-15,43,70,690
Sale of Fixed Assets	86,75,050	1,75,10,225
Sale of Investments	-45,63,52,000	75,00,000
Profit on Sale of Investment and Other Income	4,46,72,416	2,29,10,224
Interest Received	8,63,37,800	5,98,52,099
Net cash from / used in Investing Activities - II	-41,14,95,298	-4,65,98,142
III Cash Flow from Financing Activities:		
Increase / (decrease) in short term borrowings	12,79,74,168	1,77,49,169
Increase / (decrease) in long term borrowings	3,74,11,191	-3,09,37,451
Interest Paid	-6,97,09,937	-5,44,26,097
Dividend Paid and Tax there on	-4,81,59,698	-9,66,39,502
Net cash from / used in Financing Activities - III	4,75,15,724	-16,42,53,881
Net increase / (decrease) in Cash & Cash Equivalents (I+II+III)	5,24,78,444	-4,07,98,779
Cash & Cash Equivalent at the begining of the year	14,76,95,687	18,84,94,466
Cash & Cash Equivalent at the end of the year	20,01,74,131	14,76,95,687

See accompanying notes forming part of Financial Statements

As per our report of even date attached

For, Arvind A. Thakkar & Co.

Chartered Accountants
FRN 100571W

Arvind A. Thakkar
(Proprietor)
Membership No. 14334

Place : Mehsana
Date : 30.05.2013

Neha Chikani Shah
Company Secretary

For and on behalf of Board of Directors

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

Place : Mehsana
Date : 30.05.2013

Notes Forming Part of Consolidated Financial Statements

1 Background

Gujarat Apollo Industries Limited (APOLLO) was incorporated as a joint venture between Apollo Earthmovers Pvt. Limited and Gujarat Industrial Investment Corporation Limited (GIIC) on 7th October, 1986. 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 Road Construction & Maintenance Machinery catering to the needs of the majority of the road construction companies in India and many parts of the world. Your company has consistently offered the latest technology products by entering into technology tie up with the some of the world's leading players in the industry. The technology sourced is constantly developed by the R & D team of your company based on customer feedback. Adoption of Continuous Improvement Program as a standard practice across the board, the company's products have over the years maintained a very high uptime, which is critical to stay in the lead. The high quality standards combined with the customer driven, value for money approach has paid rich dividends to the company's performance over the years. This is manifest in the high market share that the company enjoys in all the product range with particular reference to Asphalt Batch Plants (over 65 %) where the main competition is from foreign manufacturers in Europe & SE Asia. The equipment manufactured by the company as well as its subsidiary are widely used in all the NHAI & State Highways projects and the products are in line with the laid down specifications of the Government. Export has always been a thrust area and today the company's equipment are used in more than 55 countries.

2 Significant Accounting Policies

2.1 Convention and Basis of Preparation of Financial Statements

(a) Basis of Preparation of Financial Statement

These financial statements have been prepared on the accrual basis of accounting as per double entry system, under the historical cost convention. The mandatory applicable accounting standards in India and the provisions of companies Act, 1956 have been followed in preparation and presentation of these financial statements. During the year, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of Estimates

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

(c) Principles of Consolidation

The Financial Statements of the company and its subsidiaries have been combined line-by-line basis by adding together the book values of like items of assets and, liabilities, income and expenses after eliminating inter group transactions and balances transaction and resulting unrealized profit or loss. The Financial Statements of subsidiaries used in the consolidated financial statements are drawn upto 31st March, 2013, The same reporting date of the company.

The differential between cost of investment in the subsidiary over the companies portion of equity is recognized as a good will or capital reserve as the case may be. The Consolidated financial statements are prepared using uniform accounting policies for like transaction and events in similar circumstances except where stated other wise. The Consolidated financial statements includes the following subsidiaries along with companies holding there in as under:

GUJARAT APOLLO INDUSTRIES LIMITED

Sr. No.	Name of the Subsidiary / Fellow Subsidiary Company	Country	31st March 2013	31st March 2012
1.	Apollo Earthmovers Limited	India	100%	99.99%
2.	Apollo Maschinenbau GmbH	Germany	100%	100%
3.	Sunrise Technologies Private Limited	India	100%	-

2.2 Tangible and Intangible Assets

(a) Tangible Assets

Cost of fixed assets comprises purchase price, duties levies and any directly attributable cost of bringing the asset to its working conditions for the intended use. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to completion of their acquisition or construction are included in the book value of the assets. All costs relating to up gradations/enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature. Cenvat claimed on fixed assets is reduced from the cost of respective assets.

(b) Intangible Assets

An intangible asset, where it is expected to provide future enduring benefits, is capitalized. Capitalization costs include license fees and costs of implementation / system integration services. The costs are capitalized in the year in which the relevant intangible asset is ready for use. Goodwill arising out of acquisition of equity shares in subsidiary is amortized in equal amount over the period of ten years from the date of acquisition, in the event of cessation of operation of subsidiary the unamortized amount of goodwill will be amortized fully.

(c) Depreciation and Amortisation:

Depreciation is being provided on all tangible assets on "weighted average method" as per the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to enterprise and the cost of the assets measure reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at the cost less accumulated and impairment loss if any.

(d) Impairment

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

2.3 Revenue Recognition

Sales are recorded net of trade discount, rebates and include excise duty. Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Incomes from services are recognized based on agreements/ arrangements with the concerned parties. Dividend income is recognized when the right to receive dividends is established. Interest income is recognized on the time proportion method.

2.4 Inventory

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

2.5 Investments

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

2.6 Transactions in Foreign Currency

(a) Foreign Currency Transactions

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

(b) Forward Contracts

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

2.7 Employee Benefit

(a) Gratuity

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

(b) 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.

(c) Compensated Absences

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

2.8 Provision for Taxation

Tax expenses comprises of current, and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

2.9 Provisions and Contingencies

Contingent Liabilities are possible but not probable obligation as on the Balance Sheet date, based on the available evidence. Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities. Provisions are recognized when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

2.10 Borrowing Cost

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

GUJARAT APOLLO INDUSTRIES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	As at 31.03.2013	As at 31.03.2012
3 Share Capital		
Authorised Share Capital		
2,00,00,000 Equity Shares of ₹ 10/- each	<u>20,00,00,000</u>	20,00,00,000
Issued, Subscribed, Called and Paid up Capital		
1,65,75,000 Equity Shares of ₹ 10/- each fully paid up	<u>16,57,50,000</u>	16,57,50,000
Total Share Capital	<u><u>16,57,50,000</u></u>	<u><u>16,57,50,000</u></u>
(a) Reconciliation of number of shares outstanding at beginning and end of the year		
Equity Shares		
Number of Shares Outstanding at the beginning of the year	<u>1,65,75,000</u>	1,65,75,000
Add: Issued during the year	-	-
Less: Buyback during the year	-	-
Number of Shares Outstanding at the end of the year	<u><u>1,65,75,000</u></u>	<u><u>1,65,75,000</u></u>
(b) Details of Shareholders holding more than 5% Equity Shares in the Company		
Name of Shareholder	Percentage of Holding	Percentage of Holding
Asit A. Patel	<u>8.67%</u>	8.67%
Anand A. Patel	<u>7.17%</u>	7.17%
Apollo Infratech Private Limited	<u>5.56%</u>	5.56%
(c) 90,25,000 (1,25,25,000) Shares out of the issued, subscribed paid up shares capital were allotted as Bonus Shares in last five years by capitalization of Securities Premium and Reserves.		
(d) Terms/rights attached to Equity Shares		
<p>The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. 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, 1956, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		

Particulars	As at 31.03.2013	As at 31.03.2012
4 Reserves & Surplus		
Security Premium Reserve	9,35,00,000	9,35,00,000
General Reserve		
As per the Last Balance Sheet	1,53,47,50,000	1,38,47,50,000
Add: Transfer from Surplus in Statement of Profit & Loss	5,00,00,000	15,00,00,000
Less: Deduction during the Year		-
Closing Balance of General Reserve	<u>1,58,34,75,000</u>	<u>1,53,47,50,000</u>
Surplus in Statement of Profit & Loss		
As per last Balance Sheet	17,88,60,609	14,40,60,519
Add: Net Profit / (Loss) after Tax	24,98,84,532	23,29,59,788
Less: Appropriations		
Dividend on Equity Shares		
Proposed final dividend	(16,57,50,000)	(4,14,37,500)
Income tax on dividend	(2,68,88,794)	(67,22,198)
Transfer to General Reserve	(5,00,00,000)	(15,00,00,000)
Closing Balance of Surplus in Statement of Profit & Loss	<u>18,61,06,347</u>	<u>17,88,60,609</u>
Foreign Currency Translation Reserve		
Opening Balance	(11,18,940)	(6,37,916)
Add: Addition During the Year	(54,75,759)	-
Less: Deduction during the Year	-	4,81,024
Closing Balance of Foreign Currency Translation Reserve	<u>(65,94,699)</u>	<u>(11,18,940)</u>
Total Reserves & Surplus	<u>1,85,77,61,648</u>	<u>1,80,59,91,669</u>
5 Long Term Borrowings		
Secured		
From Banks	1,90,33,035	3,09,13,602
Secured Against		
Deposits (Unsecured)		
From Public	3,94,18,000	2,79,68,000
From Shareholders	4,06,50,000	5,55,00,000
Total Unsecured Long Term Loans	<u>8,00,68,000</u>	<u>8,34,68,000</u>
Total Long Term Borrowings	<u>9,91,01,035</u>	<u>11,43,81,602</u>
6 Deferred Tax		
Deferred Tax Liability as the the opening of the year	6,37,49,862	4,67,37,853
Deferred Tax Liability for Current Year on Depreciation Diff.	38,77,292	1,70,12,009
Total Deferred Tax	<u>6,76,27,154</u>	<u>6,37,49,862</u>
7 Other Long Term Liabilities		
Interest Accrued but not Due on Borrowings	87,42,236	25,95,140
Deposits	4,65,44,662	-
Total Other Long Term Liabilities	<u>5,52,86,898</u>	<u>25,95,140</u>

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	As at 31.03.2013	As at 31.03.2012
8 Short Term Borrowings		
Secured Short Term Borrowings		
From Banks		
Bank of Baroda	13,32,09,991	
Cash Credit with State Bank of India	-	24,40,32,343
Above Cash Credit is secured against Current Assets, entire Fixed Assets and property situated at Ditasan (Mehsana), office premises at Ahmedabad and Corporate Guarantee of Apollo Earthmovers Ltd.		
Total Secured Long Term Loans	<u>13,32,09,991</u>	<u>24,40,32,343</u>
Unsecured Short Term Borrowings		
From Banks		
HDFC Bank	20,13,40,411	-
From Others		
Loan from Directors	3,50,56,109	72,00,000
Loan from Corporate Bodies	3,16,875	3,16,875
Deposit from Public	9,38,25,000	8,42,25,000
Total Unsecured Long Term Loans	<u>33,05,38,395</u>	<u>9,17,41,875</u>
Total Short Term Borrowings	<u>46,37,48,386</u>	<u>33,57,74,218</u>
9 Trade Payables		
Trade payables (Including Acceptances)	26,70,33,338	28,03,79,949
Total Trade Payables	<u>26,70,33,338</u>	<u>28,03,79,949</u>
10 Other Current Liability		
Interest Accrued by not due on Borrowings	43,17,599	81,07,783
Unpaid Dividends	37,10,236	39,73,691
TDS Payable	28,00,853	25,69,177
Advance from Customers	10,04,30,478	6,05,98,227
Unpaid Liabilities	27,21,68,912	4,26,20,331
Total Other Current Liability	<u>38,34,28,078</u>	<u>11,78,69,209</u>
11 Short Term Provisions		
Provision for Dividend and Dividend Tax	19,26,38,794	4,81,59,698
Provision for Expenses	2,04,08,380	1,72,91,294
Total Short Term Provisions	<u>21,30,47,174</u>	<u>6,54,50,992</u>

1.2 Fixed Assets

ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	As on 01.04.12	Addition During the Year	Deduction During the Year	Total As On 31.03.13	Up to 31.03.12	Deduction During the Year	For the Year	Total As on 31.03.13	As on 31.03.13	As On 31.03.12
(a) Tangible Assets										
1. Leasehold Land	87,33,763	-	-	87,33,763	-	-	-	-	87,33,763	87,33,763
2. Freehold Lan	16,97,19,928	1,76,959	-	16,98,96,887	-	-	-	-	16,98,96,887	16,97,19,928
3. Office Premises	3,87,94,714	21,79,645	5,88,000	4,03,86,359	43,30,649	1,62,868	7,54,445	49,22,226	3,54,64,133	3,44,64,065
4. Factory Building	24,95,87,740	10,43,004	-	25,06,30,744	3,65,55,307	-	78,09,627	4,43,64,934	20,62,65,810	21,30,32,433
5. Workers Quarters	1,05,83,127	-	-	1,05,83,127	6,93,722	-	1,72,505	8,66,227	97,16,900	98,89,405
6. Plant & Machinery	32,55,15,760	4,77,12,974	1,48,10,937	35,84,17,797	8,95,04,935	61,87,731	1,54,12,623	9,87,29,827	25,96,87,970	23,60,10,825
7. Electrical Installations	81,29,451	4,43,622	-	85,73,073	41,15,281	-	2,13,144	43,28,425	42,44,648	40,14,170
8. Furniture & Fixtures	3,32,20,808	19,71,892	1,68,162	3,50,24,538	1,06,76,599	55,999	22,08,963	1,28,29,563	2,21,94,975	2,25,44,209
9. Office Equipments	4,28,67,651	31,75,992	4,47,840	4,55,95,803	1,98,00,515	2,65,821	45,84,783	2,41,19,477	2,14,76,326	2,30,67,136
10. Vehicles	4,96,40,285	71,75,628	44,47,498	5,23,68,415	1,66,86,756	25,69,643	59,34,627	2,00,51,740	3,23,16,675	3,29,53,529
Total 12(a)	93,67,93,227	6,38,79,716	2,04,62,437	98,02,10,506	18,23,63,764	92,42,062	3,70,90,717	21,02,12,419	76,99,96,087	75,44,29,463
(b) Intangible Assets										
11. Technical Knowhow	3,88,79,942	54,95,498	-	4,43,75,440	2,02,11,091	-	50,58,114	2,52,69,205	1,91,06,235	1,86,68,851
12. Capitalised Software	1,89,78,198	78,18,476	-	2,67,96,674	89,96,750	-	33,79,619	1,23,76,369	1,44,20,305	99,81,448
13. Copyrights & Other Assets	1,54,34,247	1,72,840	-	1,56,07,087	56,22,127	-	31,41,224	87,63,351	68,43,736	98,12,121
14. Goodwill on Consolidation	3,52,95,775	57,50,445	-	4,10,46,220	70,59,156	-	41,04,623	1,11,63,779	2,98,82,441	2,82,36,619
Total 12(b)	10,85,88,162	1,92,37,259	-	12,78,25,421	4,18,89,124	-	1,56,83,580	5,75,72,704	7,02,52,717	6,66,99,039
(c) Asset Treated as Investment										
15. Freehold Land	33,01,270	-	-	33,01,270	-	-	-	-	33,01,270	33,01,270
16. Factory Building	1,89,67,151	-	-	1,89,67,151	17,22,309	-	6,33,503	23,55,812	1,66,11,339	1,72,44,842
17. Plant & Machinery	3,30,32,849	-	-	3,30,32,849	57,95,876	-	15,69,060	73,64,936	2,56,67,913	2,72,36,973
18. Furniture & Fixtures	16,09,968	-	-	16,09,968	14,96,253	-	1,01,911	15,98,164	11,804	1,13,715
19. Office Equipments	1,37,831	-	-	1,37,831	20,900	-	6,547	27,447	1,10,384	1,16,931
Total 12(c)	5,70,49,069	-	-	5,70,49,069	90,35,338	-	23,11,021	1,13,46,359	4,57,02,710	4,80,13,731
Total 12(a)+12(b)+12(c)	1,10,24,30,458	8,31,16,975	2,04,62,437	1,16,50,84,996	23,32,88,226	92,42,062	5,50,85,318	27,91,31,482	88,59,53,514	86,91,42,233
Previous Year	93,23,81,595	18,96,47,536	2,25,49,139	1,10,24,30,458	18,70,19,070	36,72,378	4,95,44,169	23,32,88,226	86,91,42,233	74,53,62,525

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	As at 31.03.2013	As at 31.03.2012
13 Capital Work in Progress		
Tangible	1,44,27,601	27,16,012
Total Capital Work in Progress	<u>1,44,27,601</u>	<u>27,16,012</u>
14 Non Current Investment		
Investment in Property	5,70,49,069	5,94,74,817
Less: Depreciation	<u>(1,13,46,359)</u>	<u>(96,55,865)</u>
Net Block (Refer 12C in Note 12)	4,57,02,710	4,98,18,952
Trade Investments		
Unquoted		
Investment in Associates		
- 4,40,000 (PY 4,40,000) Equity Shares of ₹ 10 each of Tribhuvan Industries Limited	44,00,000	44,00,000
- 46,82,010 (PY 46,82,010) Equity Shares of ₹ 10 each of Apollo Industries and Project Limited	3,12,29,110	3,12,29,110
- 30,00,000 (PY 30,00,000) Equity Shares of ₹ 10 each of Zam Zam Exports Limited	2,00,50,000	2,00,50,000
- 8,31,970 (PY 3,50,000) Equity Shares of ₹ 10 each of Apollo Construction Equipments Limited	46,83,82,001	1,20,30,001
	<u>52,40,61,111</u>	<u>6,77,09,111</u>
Total Non Current Investment	<u>56,97,63,821</u>	<u>11,75,28,063</u>
15 Long Term Loans and Advances		
Advance recoverable in cash or kind	1,28,53,540	10,77,41,809
Inter Corporate Deposits		
	<u>1,28,53,540</u>	<u>10,77,41,809</u>
16 Other Non Current Assets		
Margin Money Deposit with SBI having more than 1 Year for maturity	25,35,000	-
Trade Receivables with Long Term Maturity	-	1,15,79,663
Total Other Non Current Assets	<u>25,35,000</u>	<u>1,15,79,663</u>
17 Current Investment		
Unquoted Mutual Funds		
SBI - Mutual Fund:		
50,000 units of ₹ 10/- each fully paid up of SBI Infrastructure Fund (Market Value ₹ 3,71,240)	5,00,000	5,00,000
Total Current Investment	<u>5,00,000</u>	<u>5,00,000</u>
18 Inventories		
Raw Materials and bought out Spares	24,06,97,097	27,25,29,708
Stores and Tools	32,12,859	46,60,848
Semi Finished Goods	16,15,99,076	14,33,12,788
Finished Goods	16,01,73,336	19,87,84,035
Total Inventories	<u>56,56,82,368</u>	<u>61,92,87,379</u>

Particulars	As at 31.03.2013	As at 31.03.2012
19 Trade Receivables		
(a) Overdue for more than Six Months		
Considered Good	5,35,98,147	10,52,78,044
Considered Doubtful	<u>67,32,113</u>	
	<u>6,03,30,260</u>	<u>10,52,78,044</u>
(b) Others		
Considered Good	36,21,39,354	39,55,58,747
Total Trade Receivables	<u>42,24,69,614</u>	<u>50,08,36,791</u>
20 Cash & Bank Balance		
A. Cash & Cash Equivalents		
(a) Cash on hand	6,94,498	43,99,161
(b) Balance with Banks		
Current Account	9,08,75,680	5,10,39,486
Deposits in bank with less than 3 months of maturity	-	7,35,00,000
	<u>9,15,70,178</u>	<u>12,89,38,647</u>
B. Other Bank Balance		
(a) Margin Money Deposit	10,48,93,716	1,47,81,749
(b) Unpaid Dividends	37,10,237	39,75,291
(c) Bank Deposit with 3 months to 12 months of maturity	10,86,03,953	1,87,57,040
Total Cash & Bank Balance	<u>20,01,74,131</u>	<u>14,76,95,687</u>
21 Short Term Loans and Advances		
Advance recoverable in cash or kind	4,19,67,830	7,86,97,818
Inter Corporate Deposits	76,10,27,198	45,32,96,256
Prepaid Expenses	1,72,59,645	45,60,652
Balance with Statutory Bodies	6,96,87,667	5,55,70,516
Advance Income Tax (Net of Provision)	4,28,36,842	2,51,46,533
Total Short Term Loans and Advances	<u>93,27,79,182</u>	<u>61,72,71,775</u>
22 Other Current Assets		
Interest Accrued on Investments	2,17,797	4,36,703
Deposit in Sardar Sarovar Narmada Nigam Limited	13,16,000	13,16,000
Other Current Assets of AEML	98,13,854	26,68,490
Deposit in Patel Avenue Co-operative Housing Society Limited	-	30,46,190
Total Other Current Assets	<u>1,13,47,651</u>	<u>74,67,383</u>
23 Revenue from Operations		
Sale of Road Construction & Maintenance Machineries & Spares	2,71,26,76,362	2,83,82,61,561
Sale of Services	66,78,079	4,12,18,179
Other Operating Revenues		
Sale of Scrap	1,58,09,924	1,68,01,995
Gross Total	<u>2,73,51,64,365</u>	<u>2,89,62,81,735</u>
Less: Excise Duty and Service Tax Paid	18,85,64,336	24,43,18,092
Total Revenue from Operations	<u>2,54,66,00,029</u>	<u>2,65,19,63,643</u>

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	As at 31.03.2013	As at 31.03.2012
24 Other Income		
Interest Income	8,63,37,800	5,98,52,099
Service / Other Income	4,46,72,416	2,29,10,224
Total Other Income	<u>13,10,10,216</u>	<u>8,27,62,323</u>
25 Cost of Material Consumed		
(a) Raw Material Consumed		
Iron & Steel	42,36,72,065	39,86,09,775
Other Components	1,20,26,70,584	1,34,98,40,487
	<u>1,62,63,42,649</u>	<u>1,74,84,50,262</u>
Closing Stock of Raw Material and Components		
Iron & Steel	4,14,70,369	4,14,70,369
Other Components	19,92,26,728	23,10,59,339
	<u>24,06,97,097</u>	<u>27,25,29,708</u>
26 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade		
Opening Balance of		
Semi Finished Goods	14,33,12,788	13,31,81,291
Finished Goods	20,44,11,400	25,70,55,953
Total	<u>34,77,24,188</u>	<u>39,02,37,244</u>
Closing Balance of		
Semi Finished Goods	16,15,99,076	14,33,12,788
Finished Goods	16,01,73,336	20,34,44,883
Total	<u>32,17,72,412</u>	<u>34,67,57,671</u>
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	<u>2,59,51,776</u>	<u>4,34,79,573</u>
27 Employee Benefit Expenses		
Salaries and Wages	15,53,15,701	13,22,09,561
Contribution to Provident and Other Funds	1,03,03,754	1,06,18,008
Staff Welfare Expenses	70,44,849	69,45,932
Bonus and Gratuity	71,37,801	80,71,945
Total Employee Benefit Expenses	<u>17,98,02,105</u>	<u>15,78,45,446</u>
28 Finance Cost		
Interest	6,23,18,912	4,90,04,295
Bank Charges and Commission	63,35,282	38,51,034
Brokerage and Commission	10,55,743	14,28,781
Exchange Rate Difference - Forex Loss	-	1,41,987
Total Finance Cost	<u>6,97,09,937</u>	<u>5,44,26,097</u>

Particulars	As at	As at
	31.03.2013	31.03.2012
29 Other Expenses		
Stores and Tools Consumed	3,45,55,132	-
Power and Fuel	1,22,58,421	1,44,60,448
Labour Charges	5,66,42,687	4,98,57,970
Factory Expenses	1,03,54,508	96,24,602
Transportation, Cartrage and Octroi (Inward)	84,74,311	76,92,055
Repairs to Plant & Machinery	38,62,061	42,98,858
Office & Administrative Expenses (Including Director's Sitting Fees ₹ 87,500/- (Previous Year ₹ 82,500)	1,61,67,999	1,90,35,384
Remuneration to Auditors		
- For Audit Fees	3,50,000	3,50,000
- For Other Services	1,50,000	1,50,000
- For Reimbursement of Out of Pocket Expenses	12,777	31,543
Postage, Telephone and Telex Expenses	77,40,849	71,58,496
Travelling & Conveyance	1,95,00,756	1,83,25,688
Stationery & Printing Expenses	19,63,875	19,97,206
Professional Charges	4,20,33,221	2,48,50,049
Miscellaneous Expenses	1,90,52,444	1,60,90,151
Vehicle Running and Maintenance	88,57,693	81,03,835
Director's Remuneration	1,05,04,330	2,40,54,900
Bad Debt's Written Off (Net of Bad Debts Recovered)	1,77,81,660	11,56,750
Loss on Sale of Assets (Net)	25,45,325	13,66,536
Erection and After Sales Services	1,95,57,693	78,61,529
Advertisement and Sales Promotion	1,24,39,284	2,00,24,996
Commission on Sales	2,01,56,921	2,40,88,435
Freight Outward	6,09,64,689	5,56,18,158
Realised Loss on Foreign Exchange	-	-
Total Other Expenses	38,59,26,636	31,61,97,589
30 Earnings in Foreign Exchange (on Accrual Basis)		
A. Export of Goods		
(i) Direct on FOB Basis	44,16,40,365	26,15,45,292
(ii) Deemed Exports	-	47,68,500
B. Export of Services	5,04,392	5,85,394
31 Value of Imports on CIF Basis (on Accrual Basis)		
Raw Material & Components	4,89,67,537	15,57,97,695
Capital Goods	-	7,49,009
32 Expenditure in Foreign Currency (on Accrual Basis)		
Travelling, Professional Fees and Other Expenses	1,03,51,585	69,90,727
Commission on Sales	1,79,00,107	1,41,19,620

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	As at 31.03.2013	As at 31.03.2012
33 Contingent Liabilities		
I. In respect of Bank Guarantees issued by Banks	6,41,50,702	2,63,91,931
II. In respect of Letter of Credits issued by Banks	16,30,385	53,05,070
III. Director General of Foreign Trade, Demand not Acknowledge by the company law board	1,60,96,767	1,60,96,767
IV. In respect of Sales Tax, Excise and Service Tax Demand	1,98,32,000	1,93,33,781
V. Liability on Account of Non fulfillment under EPCG Scheme (the same has not been provided in the books as the company is of the opinion that the required exports would be made in stipulated time as prescribed in the scheme).	19,83,00,000	1,01,33,537
VI. In respect of Corporate Guarantee given to a subsidiary	1,73,85,950	1,89,33,750
VII. In respect of Demand for Additional Stamp Duty on Purchase of Office Premises by Deputy Collector (Revenue) Ahmedabad	19,81,300	-

34 Segment Reporting

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

Description		
Export Sales	44,21,44,757	26,21,30,691
Domestic Sales	2,10,44,55,272	2,38,98,32,952
Total	2,54,66,00,029	2,65,19,63,643

35 Investment in Foreign Subsidiary

There is diminution in the value of investment in Apollo Maschinenbau, GmbH, Germany to the extent of ₹ 2,31,23,446/- (PY ₹ 3,86,86,181/-), on the basis of annual accounts of this subsidiary as on 31.03.2013, for which no provision has been made since the management is expecting positive turnaround in coming years.

36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

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

37 Disclosures as per AS 15

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

The company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of services gets a gratuity on departure at 15 days salary (taking last drawn as a base) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. The future contribution payable by the company under the gratuity scheme is currently not ascertainable.

Details of Provision Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit obligation	1,53,83,371	1,41,69,117	35,15,469	36,22,218
Fair Value of Plan Assets	1,79,76,683	1,70,97,730	43,73,190	40,09,506
Plan (Assets) Liabilities	(25,93,312)	(29,28,613)	(8,57,721)	(3,87,288)
Change in Defined Benefit obligation				
Op. Present Value of Obligation	1,41,69,117	1,15,17,325	36,22,218	30,63,089
Current Service Cost	16,65,007	14,32,930	2,38,685	1,79,150
Interest Cost	11,33,529	9,21,386	2,89,777	2,45,047
Actuarial (Gain)/Loss on Obligation	(6,52,177)	6,26,506	(4,27,119)	2,68,834
Benefit Paid	(9,32,105)	(3,29,030)	(2,08,092)	(1,33,902)
Cl. Defined Benefit obligation	1,53,83,371	1,76,84,586	35,15,469	36,22,218
Change in fair value of Plan Assets				
Op. Fair Value of Plan Assets	1,70,97,730	1,38,74,148	40,09,506	37,64,749
Expected Return on Plan Assets	15,31,130	12,63,606	3,78,129	3,42,250
Contribution by Employer	-	22,89,006	1,93,647	36,409
Benefit Paid	(6,52,177)	(3,29,030)	(2,08,092)	(1,33,902)
Actuarial (Gain)/Loss on Plan Assets	-	-	-	-
Cl. Fair Value of Plan Assets	1,79,76,683	2,14,70,920	43,73,190	40,09,506
Net Period Gratuity cost				
Current Service Cost	16,65,007	14,32,930	2,38,685	1,79,150
Interest Cost on Benefit Obligation	11,33,529	9,21,386	2,89,777	2,45,047
Net Actuarial (Gain)/Loss recognised in the year	(9,32,105)	6,26,506	(4,27,119)	2,68,834
Expected Return on Plan Assets	(15,31,130)	(12,63,606)	(3,78,129)	(3,42,250)
Net Benefit Expenses	3,35,301	14,40,430	(2,76,786)	3,50,781

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:
Investment with insurer (Life Insurance Corporation of India)

Assumptions:

Discount Rate	-	8%
Expected Rate of Return on Plan Assets	-	8%
Employee Turnover	-	1% to 3%
Salary Escalation	-	7%

38 Related Party Disclosures

A. List of Related Parties with whom Transactions have taken place during the year

(i)	Name of the Related Parties	Short Name	Nature of the Relationship
(a)	Apollo Industries & Projects Limited	AIPL	Associate
(b)	Apollo Earthmovers Limited	AEML	Subsidiary
(c)	Apollo Maschinenbau GmbH, Germany	AMG	Subsidiary
(d)	Zam Zam Exports Limited	ZZEL	Associate
(e)	Apollo Construction Equipments Limited	ACEL	Associate
(f)	Apollo Construction Projects Private Limited	ACPPL	Associate
(ii)	Key Managerial Personnel	Short Name	Nature of the Relationship
(a)	Mr. Asit A. Patel	KMP	Managing Director
(b)	Mr. Anand A. Patel	KMP	Whole Time Director
(c)	Mr. Anil T. Patel	KMP	Director
(d)	Mr. Ajitkumar T. Patel	KMP	Whole Time Director (till 09.08.12)
(e)	Mr. Manibhai V. Patel	KMP	Director

GUJARAT APOLLO INDUSTRIES LIMITED

Transaction with related parties

Particulars	TIL	A IPL	ACEL	A EML	STPL	AMG	ACPPL	ZZEL	KMP
Sales Service & Other Income	1,62,81,605	-	2,95,54,972	2,30,23,446	-	1,04,80,115	-	-	-
	-	-	1,86,94,671	2,11,77,769	-	2,42,92,983	-	-	-
Purchase of Raw Material & Component & Services	4,69,83,799	-	13,64,72,810	13,02,37,130	-	-	-	-	-
	-	-	10,16,25,515	15,78,42,451	-	72,48,641	-	-	-
Interest and Other Expenditure	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Intercompany Deposits Given / (Returned)	-	12,98,74,916	-	45,40,42,687	4,250,000	-	-	10,89,57,797	-
	-	(92,50,000)	-	(7,84,52,101)	-	1,93,09,250	-	(1,00,03,888)	70,00,000
Intercompany Deposits (Taken) / Repaid	-	-	-	-	-	-	-	-	(25,00,000)
Interest Income	-	5,81,21,556	-	46,59,580	1,63,167	-	-	76,41,763	-
	-	2,46,45,411	-	11,18,062	-	-	-	6,94,772	-
Salary, Commission on Profit	-	-	-	-	-	-	-	-	1,78,38,740
	-	-	-	-	-	-	-	-	1,89,82,900
Purchase of Capital Assets	-	-	1,36,05,872	-	-	-	-	38,48,717	-
Purchase and Sale of Shares	-	-	-	4,80,00,000	-	-	32,80,00,000	-	-
	-	-	-	-	-	-	-	-	-
Outstanding Balance as on 31st March 2013									
Receivable by Company	41,36,629	-	1,09,28,157	43,78,017	43,96,850	2,69,78,517	-	-	-
	-	-	6,068,618	29,46,826	-	1,64,98,402	-	-	-
Payable by Company	29,10,043	-	43,168,097	71,76,662	-	74,952	-	6,08,263	-
	-	-	30,913,010	1,14,145,106	-	-	-	-	-7,49,714
Intercompany Deposits (Receivable) / Payable	-	-	-	(39,59,28,457)	-	(5,80,89,255)	-	-	97,00,000
	-	22,21,20,673	-	(5,81,14,230)	-	(5,80,89,255)	-	-	72,00,000

39 Discontinuing Operations

Gujarat Apollo Industries Limited (GAIL) has executed an agreement for a strategic joint venture with Switzerland based Ammann Group. GAIL and its wholly owned subsidiary (WOS), Apollo Earthmovers Limited (AEML) has been transferred their respective identified businesses, being the entire product portfolio of asphalt plants and the paver business excluding crushing and screening business of GAIL, on 10/04/2013 to Apollo Construction Equipments Limited (ACEL) on slump sale basis. which has been discharged by payment on Closing as per the definitive agreements between the joint venture parties. Now Ammann Group hold 70% of the equity of ACEL and balance 30% is held by AEML, WOS of GAIL.

As per our report of even date attached

For, Arvind A. Thakkar & Co.

Chartered Accountants
FRN 100571W

Arvind A. Thakkar
(Proprietor)
Membership No. 14334

Place : Mehsana
Date : 30.05.2013

Neha Chikani Shah
Company Secretary

For and on behalf of Board of Directors

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

Place : Mehsana
Date : 30.05.2013

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.

ATTENDANCE SLIP

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

DP ID *	
Client ID*	

FOLIO NUMBER :

NAME AND ADDRESS OF THE SHAREHOLDER

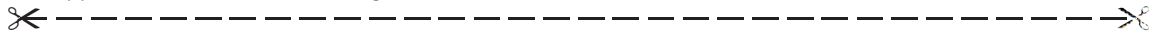
No. of Shares held :

I hereby record my presence at the 26th Annual General Meeting of the Company to be held on Thursday, 29th August, 2013 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.



GUJARAT APOLLO INDUSTRIES LIMITED

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PROXY FORM

DP ID *	
Client ID*	

FOLIO NUMBER :

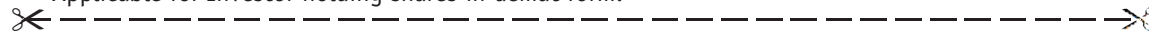
I/We _____ of _____ being a member/members of Gujarat Apollo Industries Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 26th Annual General Meeting to be held on Thursday, 29th August, 2013 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2013

Affix Revenue Stamp

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

* Applicable for Investor holding shares in demat form.



Dematerialise your Physical Shares to Electronic Form

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

Contact us on (Tel. no.: 079-26444597/98)/our Registrars and Transfer Agents (Tel no.: 079-26465179) for assistance.
Procedure for Dematerialisation of Shares

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

BOOK-POST

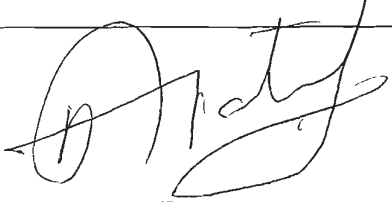


TO,

If not delivered, please return to :
GUJARAT APOLLO INDUSTRIES LIMITED
Corporate Office : "Parishram", 5-B,
Rashmi Society, Near Mithakhali Circle,
Navrangpura, Ahmedabad – 380009.

Pratiksha Printers, A'bad. 98252 62512

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges
Clause 31(a) of the Listing Agreement

1.	Name of the Company:	Gujarat Apollo Industries Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit Observation	Un-qualified /Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period .-N.A.
5.	To be signed by -	
	CEO/Managing Director	 [Asit A. Patel]
	CFO	The Company does not have CFO
	Auditor of the Company	For Arvind A. Thakkar & Co. Chartered Accountants (Firm Registration No. 100571W)  [A. A. Thakkar] Sole Proprietor Membership No. 014334
	Audit Committee Chairman	 [Rupesh Mehta]