



Apollo®

**24th Annual Report
2010-2011**



Gujarat Apollo Industries Limited

One Source, Unlimited Possibilities

GUJARAT APOLLO INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY

MR. SURESH S. SHAH

STATUTORY AUDITORS

ARVIND A. THAKKAR & CO.,

Chartered Accountants,

Ahmedabad

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

Ditasan, Post Jagudan,

State Highway,

Mehsana - 382 710 (North Gujarat)

CORPORATE OFFICE

“Apollo House”,

Near Mithakhali Six Roads,

Navrangpura,

Ahmedabad - 380 009.

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NOTICE

NOTICE is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the members of Gujarat Apollo Industries Limited will be held on Wednesday, the 21st day of September, 2011 at 11.00 A.M at the Registered office of the Company at Ditasan, Post Jagudan, State Highway, Mehsana – 382710 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2011 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. Ajitkumar T. Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. C. Gosain, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

By order of the Board of Directors

Place : Ditasan, Mehsana
Dated : 12th August, 2011

SURESH S. 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 HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Book of the Company will remain closed from 14th September, 2011 to 21st September, 2011.
3. Dividend, if declared, shall be paid to those members whose names appear on the Register of Members of the Company as on 13th September, 2011.
4. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the dividends declared for the Financial Year ended 2004, which remains unpaid or unclaimed for a period of seven years to the Investors Education and Protection Fund. It may be noted that no claims will lie against the Company or the investors Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the Fund. The members who have not claimed their dividend for the financial year ended 31st March, 2004 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.
6. As an austerity measure, the copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy to the meeting.
7. The Shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

By order of the Board of Directors

Place : Ditasan, Mehsana
Dated : 12th August, 2011

SURESH S. SHAH
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report for the year ended 31st March, 2011.

FINANCIAL PERFORMANCE

	(Rupees in Lacs)	
	Current Year 2010-11	Previous Year 2009-10
Sales (Net of Excise) and Other Income	20185.08	20500.50
Profit before Interest, Depreciation and Taxes	3628.35	4484.11
Less : Depreciation	294.80	214.39
Interest	257.95	126.85
Provision for Taxation	960.00	1345.00
Deferred tax Liability	80.14	104.45
Earlier Years Income Tax Provision	125.00	00.00
Net Profit	1910.46	2693.41
Add : Profit & Loss Account Balance B/F	1815.10	1106.48
Amount available for proposed appropriations	3725.56	3799.90
Proposed Dividend	414.37	414.37
Proposed one-time Special Dividend	414.37	00.00
Transfer to General Reserve	1200.00	1500.00
Provision for Tax on Dividend	137.65	70.42
Balance carried to Balance Sheet	<u>1559.17</u>	<u>1815.10</u>

OPERATIONAL REVIEW

During the year under review, the Company achieved a turnover of Rs. 197.91Crores as against Rs. 201.69 Crores in the previous year. The Company's EBITDA was Rs. 36.28 Crores (Previous year Rs. 44.84 Crores) which has been reduced by approx. 19%. After considering the interest charges of Rs. 2.58 Crores, depreciation of Rs. 2.95 Crores, provision for taxation of Rs. 9.60 Crores, the Company has earned a net profit of Rs. 19.10 Crores as compared to net profit of Rs. 26.93 Crores in the previous year. The EPS of the Company for the year 2010-2011 is Rs. 12.28.

The decrease in profitability is mainly due to increase in the input cost especially raw material cost, without increase in the selling price owing to market pressures. However, the company has tried to reduce the other operational costs.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 2.50 per share and one time special dividend of Rs. 2.50 per share for entering into 25th year, aggregating to Rs. 5.00 per share on Equity Shares of the Company amounting to Rs. 828.75 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 13th September, 2011.

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, 2011.

CONSOLIDATED ACCOUNTS

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

SUBSIDIARY COMPANIES

In the terms of Notification No. 5/12/2007-CL-III issued by MCA vide General Circular No : 2/2011 dated 8th February, 2011, general exemption has been granted wherein copies of Balance Sheet, Profit and Loss Account, Report of Board of Directors and the Report of the Auditors of the subsidiary companies are not required to be attached with the Annual Accounts of the Company. The Statement showing details of Subsidiary Companies are attached herewith and forms a part of the report. The Company will keep these documents at the Registered Office of the company and its subsidiaries and make them available upon the request by any shareholder of Company as well as any shareholder of its subsidiaries.

During the year, one of the Company's Fellow Subsidiaries namely Apollo Industrial Products Limited merged with the subsidiary namely Apollo Earthmovers Limited as per the Honorable Gujarat High Court's order dated 30th March, 2011.

RESPONSIBILITY STATEMENT

The Directors confirms:

- 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

Mr. Ajitkumar T. Patel and Mr. R. C. Gosain, the directors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. You are requested to reappoint them.

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

The particulars regarding conservation of energy and technology absorption and Foreign Exchange 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 are given in the Annexure "A" which forms part of this Report.

PERSONNEL

During the year, the relations between the Management and the employees of the Company have been very cordial. Particulars of employees as required under the provisions of section 217(2)(A) of the companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in Annexure "B" 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 being eligible offer themselves for reappointment as a Auditor of the company. 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.

COMMENT 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.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the continuous support and co- operation received from the Business Associates including vendors, customers, Banks etc. as well as the services rendered by the employees of the company and look forward to their continued support in the years to come. Your Directors are also grateful to their shareholders for having faith on the management of the Company.

For and on behalf of the Board of Directors

Place : Ditasan, Mehsana
Dated : 12th August, 2011

ANIL T. PATEL
Chairman

ANNEXURE TO DIRECTORS' REPORT ANNEXURE-'A'

A. CONSERVATION OF ENERGY:

	2010-11	2009-10
Power & Fuel Consumption		
1. Electricity:		
a) Purchased		
Units	11,02,505	10,74,773
Total Amount (Rs.)	72,01,401	68,15,577
Rate/Unit (Rs.) :	6.53	6.34
b) Own Generation :	NIL	NIL
2. Coal :	NIL	NIL
3. Furnace Oil :	NIL	NIL
4. L P G Quantity (Kg.) :	12,806	12,654
Total cost (Rs.) :	6,42,587	5,40,137
Rate/unit (Rs.) :	50.18	42.69

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,

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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 EARNINGS AND OUTGO :

The required information is contained in the Notes to the Accounts, Schedule "T" 5 to 7.

ANNEXURE-'B' TO THE DIRECTORS' REPORT

Statement showing the particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2011.

(A) EMPLOYED THROUGH OUT THE YEAR

Sr. No.	Name	Age/Yrs.	Designation	Remuneration (Rs.)	Qualification & Experience	Date of Employment	Last Employment	% of Equity Shares held by the employee
1.	Mr. Asit A. Patel	42 years	Managing Director	95,24,857/-	B.S. (USA) (Engineering Management) (19 Years)	01/07/1994	-	8.76%

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

- 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Year that was:

FY 2010-11 was a very crucial year not only from the point of view of World Economy and Indian Economy but also from the point of view of your Company's perspective being the Company's 24th year, just a step away from the Silver Jubilee year. In FY 2010-11 overall growth did not match up to anticipated levels, forcing every Company to come out with new & innovative ideas, not just for survival, but also for solidification of the position. One may call it as a Litmus Test for many Companies and only those who emerged successful shall have a bright future. Your Company, taking cognizance of the change in the economic conditions, revisited its long and short term plans, concentrated on utilizing its years of expertise and thus maintaining its position as it was before. Overall performance of the Company can be termed as satisfactory given the market conditions.

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

1. Total Income of the Company is Rs. 20,185.08 lacs.
2. Profit Before Tax of the Company is Rs. 3,628.35 lacs.
3. Profit after Tax is Rs. 2,035.46 lacs.
4. Earning per Share is Rs. 12.28.

The sale in FY 2010-11 is marginally lower as compared to FY 2009-10. But one should look at the conditions - National Highway Authority of India (NHAI) awarded just 100 kms of projects between July 2010 and February 2011 as compared to 2900 kms in April – June 2010 (source HSBC Global research) - while evaluating this performance. The Company has in fact, not only managed but has also marginally increased its market share in certain product lines. The detailed Management discussion and analysis report, industry wise, economy wise, product wise and in general is as follows:-

Industry Structure:

The Industry is undergoing major changes. India now remains one of the most promising nations of BRIC Countries. Now more and more international companies are coming to India to reap the benefits of the growing domestic requirement, combined with lower manufacturing cost. Therefore, to overcome concurrent challenges and optimize the future opportunities, your Company has concluded extensive product realignment exercise. The exercise of classifying all the products into two Strategic Business Units (SBUs) initiated in FY 2009-10 is now fully in place.

MOBILE EQUIPMENT GROUP (MEG)

- Hydrostatic Senior Paver Finisher
- Laying Machine
- Mechanical Paver Finishers
- Tandem Steel Drum Rollers
- Soil Compactors
- Bitumen Pressure Distributors
- Curb Casting Machine

INDUSTRIAL PLANT GROUP (IPG)

- Asphalt Batch Mix Plant
- Drum Mix Plant
- Wet Mix Plant
- Jaw Crushers/Horizontal Shaft Impact Crushers/Mobile Crushers

Both the SBUs, MEG and IPG are fundamentally different with respect to micro and macro factors. Perhaps the one common factor is the competition from well established MNC players in specific product lines like sensor paver & compactors in MEG and Asphalt Batch Mix Plant & crushers, IPG has price pressures on account of local competition. Moving forward the Company intends to harness these SBUs for the maximum benefit of the shareholders. Your Company sees immense potential in crushing & mining equipment segment and necessary investments in the required resources is being carried out.

The growth of this Industry is linked directly with Infrastructure and indirectly with the growth of Indian Economy. This industry calls for great expertise in terms of technology, design and providing customer satisfaction. Market is large, however the only survivors would be the Companies who are able to provide good quality products at cost effective prices. Your Company in the formative years was able to create a niche for itself, which it has maintained throughout the past twenty four years and from time to time entering into new segments and making its presence felt there also.

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The Company's brand has emerged as a Brand for Reliability and has been able to retain the customer loyalty over the years. The Company desires to continue its successful stint in the industry, by providing complete customer satisfaction by way of competitive pricing and good product quality – what we call as Value for Money.

Your Company is one of the major players in manufacturing Road Construction and Maintenance Machinery such as Asphalt Plants, Paver Finishers and other road construction equipment with a major market share in all the product lines. Your company has taken several initiatives to steer through the anticipated future competitive situation and to retain its position in the business. In the coming years, the Company is confident of consistently increasing its market share in all the product lines.

One of our newly formed wholly owned subsidiary Apollo Maschinenbau GmbH, Germany has started creating base for catering into the eastern European countries. This company is initially focusing on the crushing and screening products.

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

The Company designs, manufactures, sells and provides product support of the following construction equipments:-

- Asphalt Batch Mix Plant
- Drum Mix Plant
- Wet Mix Plant
- Jaw Crushers/Horizontal Shaft Impact Crushers/Mobile Crushers
- Hydraulic & Mechanical Brooms

MAIN FOCUS AREAS AND APPLICATIONS:

The Company's major source of business is from Infrastructure development and the growth of the company is therefore directly proportional to the growth in the Infrastructure segment, mainly road construction. The crushing & screening equipment has a wider market that includes coal, iron ore and lime stone industries. Given the engineering expertise, your Company has and will continue to provide high end customized engineering solutions to a variety of sectors be it Power Projects, Ports & Shipyards, Metro Rail, Steel Industry, Engineering Industry, Defense, Fertilizers & Chemicals, Building Construction etc.

OPPORTUNITIES, THREATS, RISK AND CONCERN:

Opportunities:-

1. Clearer road ahead. Most of the road blocks that have broad project awards almost to a standstill till June 2010 have been removed. The recent announcements by NHAI officials suggests that more than 7000 kms of detailed project reports are in place and the Minister for Road Transport & Highways is keen to kick start the projects. HSBC Global Research estimates that NHAI will award around 11000 kms in FY 2011-12.
2. Market acceptance of wider width Sensor Pavers and Crushing equipment.
3. Enhanced International markets.
4. New products like Compactors.

Threats, Risks and Concerns:-

1. The World Economy is witnessing a slowdown. This may have some impact on the foreign construction companies entering India in a big way. So there is a possibility that large road projects on Build Own and Transfer i.e. BOT business model may not find takers.
2. Threat of a recession somewhat similar to FY 2008-09.
3. Competitors especially the new entrance, using price as a tool which may hurt the company's bottom line.
4. Lack of level playing field with the foreign suppliers getting the benefit of zero customs duty in certain product lines.

Outlook:

The Company sees a very bright outlook in the coming years. The growth in the road construction industry, can only move forward as the importance of a good road network is realized at all levels. Bottlenecks if any, shall only be for very short periods and the demand for road construction equipment shall continue to grow at 12 – 15% for the next 6-7 year's time. All the market service conducted by various agencies manifest this. Overall, we expect a growth of 12 – 15% with the profitability levels closer to FY 2009-10.

Internal Control Systems and their Adequacies:

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

Deloitte, 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 Rs. 19,791.10 lacs as compared to Rs. 20,168.82 Lacs in the previous financial year. The profits of the Company have also decreased as compared to previous financial year. The Profit before Tax(PBT) has decreased from Rs. 4,142.86 lacs to Rs. 3,075.60 Lacs, whereas, Profit after Tax has decreased from Rs. 2,693.41 Lacs to Rs. 2,035.46 Lacs in the current year. The input material cost have increased from Rs. 11,578.75 Lacs to Rs. 12,446.32 Lacs. But due to competitive pressures and reduced market size, the Company had to sell its products at prices similar to FY 2009-10. The company did manage to reduce expenses on administration from Rs. 1170.16 Lacs to Rs. 960.05 Lacs under review, while maintaining the percentages of other expenses in the year under review.

Cautionary Statement:

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

GUJARAT APOLLO INDUSTRIES LIMITED

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

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At Gujarat Apollo, value creation is a philosophy that is ubiquitous across the organization. The Shareowners remain the focus of our growth strategy. Ensuring stability in a dynamic environment and growth in competitive time is a commitment we have and have kept since our inception. Our Company has always believed in the concept of good Corporate Governance involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Mandatory provisions of Corporate Governance as stipulated under listing agreement of Stock Exchanges are being complied with. The Company is committed to conducting business in accordance with the highest legal and ethical standards, superior product quality and services to its customers.

BOARD OF DIRECTORS

The Board of Directors includes a Managing Director, 2 (Two) Whole-time Directors, 2 (Two) Non – Executive Directors and 3 (Three) Independent Directors, making total strength of 8 (Eight). The Composition of Board is in Compliance with the requirements of Clause 49(1)A. None of the Directors of the Company was a member of more than 10 (Ten) Committees nor was the Chairman of more than 5 (Five) Committees across all Companies in which they are directors. The detailed Composition of the Board as on 31st March, 2011 along with other related information is given in the table below:

Name of the Director	Designation	Category	No. of Directorship held	No. of Memberships / Chairmanships of other Board Committees	No. of Board meeting attended	Attendance at the last Annual General Meeting
Mr. Anil T. Patel	Director	Promoter Non-Executive	7	1	4	Yes
Mr. Manibhai V. Patel	Director	Promoter Non-Executive	3	NIL	4	No
Mr. Ajitkumar T. Patel	Whole-time Director	Executive Director	2	NIL	4	Yes
Mr. Asit A. Patel	Managing Director	Executive Director	2	2	2	Yes
Mr. Anand A. Patel	Whole-time Director	Executive Director	3	1	4	Yes
Dr. N. V. Vasani	Director	Independent Non-Executive	NIL	3	4	No
Dr. N. T. Patel	Director	Independent Non-Executive	NIL	1	4	No
Mr. R. C. Gosain	Director	Independent Non-Executive	1	3	4	No

During the year 2010-11, 4 (Four) Board meetings were held, details of which are given herein below:

Date of Board Meeting	12-05-2010	30-07-2010	30-10-2010	07-02-2011
No. of Directors present	07	07	08	08
Board Strength	08	08	08	08

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

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

AUDIT COMMITTEE

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

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

1. To investigate into any matter in relation to the items specified in Section 292(A) of the Companies Act, 1956 and also as contained under Clause 49 of the listing agreement.
2. Reviewing of the Companies Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Recommending the appointment of external Auditor and fixation of Audit fee.
4. Reviewing with management the Annual financial statements and half yearly and quarterly financial results before submission to the Board.
5. Reviewing periodically the adequacy of the internal control system.
6. Discussion with Internal Auditor on any significant findings and follow up there on.

The Composition of Audit committee is as under:

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

During the year the committee held 4 (Four) meetings on 12th May, 2010, 30th July, 2010, 30th October, 2010 and 7th February, 2011. The time gap between two meetings was not more than four months.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

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

The Composition of the Investors Grievance Committee is as under:

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

During the year the committee held three meetings on 30th June, 2010, 11th October, 2010 and 17th February, 2011.

During the year under review the Company received 22 (Twenty-Two) Complaints. All the Complaints were resolved to the satisfaction of the Shareholders by the Company's Registrar and Share Transfer Agent. There were no pending complaints at the beginning of the year or at the end of the year.

Name and designation of Compliance Officer:

Mr. Suresh Shah (Company Secretary)

REMUNERATION COMMITTEE

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

The Composition of the Remuneration Committee is as under:

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

During the year the committee held 1 (One) meeting on 30th July, 2010.

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Terms of reference:

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

Mr. Asit A. Patel was paid a gross remuneration of Rs. 95,24,857/- as Managing Director and Mr. Anand A. Patel was paid a remuneration of Rs. 53,79,729/- as Whole-Time Director. The remuneration includes salary, commission, other perquisites and retirement benefits.

Non-Executive Director

A Commission @ 1% is payable to Mr. Anil T. Patel, Mr. Manibhai V. Patel and Mr. Ajit T. Patel, the Non-Executive directors of the Company for the year 2010-11. However, Mr. Ajit T. Patel was appointed as a WTD w.e.f. 1st August, 2010, hence, the commission paid to him was calculated on pro-rata basis till -the said date only.

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

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

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

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

GENERAL BODY MEETING

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

AGM	Date	Time	Venue	No. of Special resolutions approved
21 st	30-09-2008	11.00 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	2
22 nd	26.09.2009	11.30 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	-
23 rd	24.09.2010	11.30 a.m.	Ditasan, Post Jagudan, State Highway, Mehsana-382 710.	-

The Special Resolutions indicated above were passed by "show of hands."

No Extra Ordinary General Meeting held during the year.

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

DISCLOSURES

- There were no transactions of material nature with the management or with the directors of the Company during the year.
- There was no instance of Non Compliance of any matter related to the capital markets during the last three years.
- The Company ensures compliance of various statutory requirements by all its divisions and obtains quarterly reports in the form of certificate from the head of the divisions. These certificates are placed before the board on quarterly basis.

- All the statutory registers that are required to be maintained, particularly Registers of Contracts in which Directors have interest, Registers of Directors Shareholding, Register of Investments etc., are maintained and continuously updated.

MEANS OF COMMUNICATION

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

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

GENERAL SHAREHOLDERS INFORMATION

Financial Year	: 1 st April, 2011 to 31 st March, 2012.
Results for the first quarter ending 30 th June, 2011	: Second week of August, 2011
Financial Calendar (tentative & subject to change)	
a) First Quarter Results	: August, 2011
b) Second Quarter Results	: October, 2011
c) Third Quarter Results	: January, 2012
d) Fourth Quarter Results	: April/May, 2012
Annual General Meeting for the year 2010-11	
Date	: 21 st September, 2011
Time	: 11.00 A.M.
Venue	: Ditasan, Post Jagudan, State Highway, Mehsana- 382710
Date of Book -Closure	: 14 th September, 2011 to 21 st September, 2011 (Both Days inclusive)
Dividend Payment date	: The proposed dividend, if approved at the AGM, will be distributed in the month of October, 2011
Listing on Stock Exchange	: Bombay Stock Exchange Limited National Stock Exchange of India Limited
Stock Code	: 522217 (BSE) GUJAPOLLO (NSE)

MARKET PRICE DATA

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

PERIOD	SHARE PRICE OF GAEL	
	HIGH	LOW
April, 2010	244.95	202.00
May, 2010	242.50	203.15
June, 2010	224.75	199.10
July, 2010	230.00	207.00
August, 2010	234.00	203.05
September, 2010	246.95	212.15
October, 2010	239.70	212.10
November, 2010	216.80	168.10
December, 2010	183.75	162.10
January, 2011	182.25	160.15
February, 2011	166.00	124.00
March, 2011	144.50	124.25

GUJARAT APOLLO INDUSTRIES LIMITED

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011:

SHAREHOLDINGS NOMINAL VALUE RS.	SHARE HOLDERS		TOTAL NO OF SHARES	
	NUMBERS	% OF TOTAL	SHARES	% OF TOTAL
1 - 500	9834	85.88	1580437	9.53
501 - 1000	732	6.39	566178	3.42
1001 - 2000	389	3.40	555303	3.35
2001- 3000	151	1.32	375076	2.26
3001- 4000	55	0.48	193593	1.17
4001 – 5000	62	0.54	280129	1.69
5001- 10000	101	0.88	725655	4.38
10000 & above	127	1.11	12298629	74.20
TOTAL	11451	100.00	16575000	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2011:

Category	No. of Shares	% of Total Shares held
1 Promoters and persons acting in concert	79,93,810	48.23
2 Mutual Funds	15,99,562	9.65
3 Banks	787	—
4 FIIs	3,44,638	2.08
5 Foreign Nationals	2,71,986	1.64
6 Bodies Corporate	12,25,459	7.40
7 Trust & Foundations	5,145	0.03
8 Public	51,33,613	30.97
Total	1,65,75,000	100.00

SHARE TRANSFER SYSTEM

As per the SEBI's circular dated 27.12.02 and upon the instructions of Stock Exchange, Mumbai, the Company has appointed a common agency on a single point for physical and demat registry work, whose name and address appears hereinbelow :

Link Intime India Private Limited

211, Sudarshan Complex,
Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad - 390009
Tel No. : 079-26465179
Fax No : 079-26465179
E-mail : ahmedabad@linkintime.co.in

DEMATERIALIZATION OF SHARES

The Equity Shares of the Company are traded compulsorily in the dematerialized form. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL), whereby the shareholders have options to dematerialized their shares with either of the depository. Demat ISIN No. for both NSDL and CDSL for the Company equity shares is INE826C01016. Status of Dematerialization as on 31st March, 2011.

Particulars	No. of shares	% of total Capital	No. of Shareholders
National Securities Depository Ltd.	1,17,39,196	70.82	7,331
Central Depository Services(India)Ltd.	40,69,944	24.55	3,415
Physical	7,65,860	4.63	700
GRAND TOTAL	1,65,75,000	100.00	11,446

PLANT LOCATION

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

ADDRESS FOR CORRESPONDENCE

Compliance Officer
The Company Secretary
Gujarat Apollo Industries Limited
“APOLLO HOUSE”,
Near Mithakhali Six Roads,
Navrangpura,
Ahmedabad- 380009
E-mail: cs@apollo.co.in

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

In the above regards, I declare as follows:

1. The Company does have a code of conduct approved by its board of directors, which have been posted on its website.
2. All the members of the board of directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the code of conduct as applicable to the financial year ended on 31st March, 2011.

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

GUJARAT APOLLO INDUSTRIES LIMITED

CEO CERTIFICATE

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

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

We hereby certify that :

We have reviewed the financial statement and the cash flow statements for the year 2010-11 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, 2011, 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, 2011, there were no investor grievance remaining unattended/ pending for a period exceeding one month.

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

FOR ARVIND A THAKKAR & CO.
Chartered Accountants

Place : Ditasan, Mehsana
Dated : 12th August, 2011

A. A. THAKKAR
Sole Proprietor
Membership No.14334

GUJARAT APOLLO INDUSTRIES LIMITED

AUDITORS' REPORT

To,
The Members
GUJARAT APOLLO INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of GUJARAT APOLLO INDUSTRIES LIMITED as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet, Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to the sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. on the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

Place : Ditasan, Mehsana
Dated : 12th August, 2011

A.A. THAKKAR
Sole Proprietor
Membership No.14334

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) In respect of its fixed assets;
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the Company has formulated a programme of verification by which, all the assets of Company are being verified in the phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on verification conducted during the period as compared with the books records.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
- (a) As explained to us, inventories have been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) In our opinion and according to the information and explanations give to us, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and accordingly to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) In respect of the loans, secured or unsecured granted or taken by the company to/from:
Companies, firm or other parties covered in the register maintained under section 301 of The Companies Act, 1956
- a) The Company has given interest-bearing loan to three parties & interest free loan to one party. In respect said loan the maximum amount outstanding at any time during the year is Rupees 3407.39 lacs and year-end balance is Rupees 2543.51 lacs.
 - b) In our opinion and according to information and explanation given to us, terms and condition are not prima facie prejudicial to the interest of the company.
 - c) The said loan was given to associate parties of the company are repayable on demanded there is no repayment schedule.
 - d) In respect of the loan given by the company, the same is repayable on demand and therefore the question of overdue amount does not arise.
 - e) The Company has not taken any loan, secured or unsecured from companies, firm or other parties covered in the register maintained under section 301 of the companies Act, 1956.
- (iv) In our opinion and according to the information and explanations give to us, having regard to the explanation that certain items purchased/sold are of specialized nature for which suitable alternative sources are not readily available for obtaining comparative quotations/prices, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- (a) To the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and having regard to our comments in paragraph (iv) above, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- (vi) In our opinion and according to the information and explanations give to us, the Company has complied with the provisions of Section 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order under the aforesaid Sections has been passed by the Company Law Board on the Company.
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GUJARAT APOLLO INDUSTRIES LIMITED

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

NATURE OF DISPUTE	FOR THE YEAR	AMOUNT (Rupees)	AUTHORITY
1) Sales Tax	1997-98	10.35 Lacs	Second Appellate (Hyderabad)
2) Service Tax	2005-2006 & 2006-2007	29.78 Lacs	Service Tax Appellate Tribunal West zone (Ahmedabad)

- (x) The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses during the current financial year and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to banks. 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) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by subsidiary company from banks or financial institutions are not prima facie prejudicial to the interests 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 made 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 fraud on or by the company has been noticed or reported during the course of our audit.

FOR ARVIND A THAKKAR & CO.

Chartered Accountants
Firm Reg. No. 100571W

A.A. THAKKAR
Sole Proprietor

Membership No.14334

Place : Ditasan, Mehsana
Dated : 12th August, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
I SOURCES OF FUNDS:					
a) Shareholders' Funds					
[I] Share Capital	A	16,57,50,000		1,65,750,000	
[II] Reserves and Surplus	B	1,36,41,66,660		1,26,97,60,340	
			<u>1,52,99,16,660</u>		<u>1,43,55,10,340</u>
b) Loan Funds:					
[I] Secured Loans	C	26,13,96,590		20,38,11,307	
[II] Unsecured Loans	D	17,48,33,275		17,55,79,257	
			<u>43,62,29,865</u>		<u>37,93,90,564</u>
c) Deferred Tax Liability					
			<u>4,00,89,108</u>		<u>3,20,75,086</u>
TOTAL					
			<u><u>2,00,62,35,633</u></u>		<u><u>1,84,69,75,990</u></u>
II APPLICATION OF FUNDS:					
a) Fixed Assets					
[I] Gross Block	E	76,18,56,889		62,96,50,767	
[II] Less: Depreciation		<u>14,43,85,862</u>		<u>11,87,62,367</u>	
[III] Net Block		61,74,71,027		51,08,88,400	
[IV] Capital Work in Progress		<u>3,79,92,859</u>	<u>65,54,63,886</u>	<u>7,78,36,143</u>	<u>58,87,24,543</u>
b) Investments					
	F		<u>36,88,23,000</u>		<u>15,39,99,134</u>
c) Current Assets, Loans and Advances					
[I] Inventories	G	43,67,19,948		37,08,51,361	
[II] Sundry Debtors	H	33,62,81,864		38,51,21,468	
[III] Cash and Bank Balances	I	13,32,05,261		8,69,87,236	
[IV] Other Assets	J	68,67,345		70,33,609	
[IV] Loans & Advances	K	<u>56,91,92,337</u>		<u>61,62,21,045</u>	
		<u>1,48,22,66,755</u>		<u>1,46,62,14,719</u>	
Less: Current Liabilities and Provisions					
[I] Current Liabilities	L	29,49,49,937		16,35,22,089	
[II] Provisions	M	<u>20,53,68,071</u>		<u>19,84,40,317</u>	
		<u>50,03,18,008</u>		<u>36,19,62,406</u>	
Net Current Assets					
			<u>98,19,48,747</u>		<u>1,10,42,52,313</u>
TOTAL					
			<u><u>2,00,62,35,633</u></u>		<u><u>1,84,69,75,990</u></u>
Note on accounts & accounting policies	T				

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Place : Ditasan, Mehsana

Dated : 12th August, 2011

For & on behalf of Board of Directors

Suresh Shah
Company Secretary

Asit Patel
Managing Director

R. C. Gosain
Director

Place : Ditasan, Mehsana

Dated : 12th August, 2011

GUJARAT APOLLO INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
INCOME					
Sales and other operating income	N	2,13,21,28,760		21,41,632,586	
Less : Excise duty & service tax		<u>15,30,19,141</u>		<u>12,47,50,038</u>	
			1,97,91,09,619		2,01,68,82,548
Other Income			3,93,98,597		<u>3,31,66,970</u>
Total			2,01,85,08,216		2,05,00,49,518
EXPENDITURE:					
Material Cost	O	1,24,46,31,785		1,15,78,74,869	
Manufacturing expenses	P	8,35,03,712		9,79,59,905	
Employees cost	Q	7,18,40,205		7,13,41,790	
Sales Tax & VAT		5,81,33,094		5,46,72,814	
Administrative and other expenses	R	9,60,05,368		11,70,16,270	
Selling and Distribution expenses	S	<u>10,15,58,871</u>		<u>10,27,72,848</u>	
Total			1,65,56,73,035		1,60,16,38,496
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES			36,28,35,181		44,84,11,023
Interest		2,57,94,763		1,26,85,280	
Depreciation and Impairment		<u>2,94,80,573</u>		<u>2,14,39,209</u>	
			5,52,75,336		<u>3,41,24,489</u>
PROFIT BEFORE TAX			30,75,59,845		41,42,86,534
Provision for taxation		9,60,00,000		13,45,00,000	
Deffered tax liability (Net)		<u>80,14,023</u>	10,40,14,023	<u>1,04,45,328</u>	14,49,45,328
PROFIT AFTER TAX			20,35,45,822		26,93,41,206
Less: Earlier years Income Tax provision			1,25,00,000		<u>0</u>
NET PROFIT			19,10,45,822		26,93,41,206
Add : Balance brought forward from previous year			18,15,10,340		11,06,48,937
AMOUNT AVAILABLE FOR APPROPRIATION			37,25,56,162		<u>37,99,90,143</u>
APPROPRIATION:					
[i] General Reserve			12,00,00,000		15,00,00,000
[ii] Proposed Dividend			4,14,37,500		4,14,37,500
[iii] Proposed one time Special Dividend			4,14,37,500		0
[iv] Tax on Proposed Dividend			1,37,64,502		70,42,303
[v] Balance Carried to Balance Sheet			15,59,16,660		18,15,10,340
TOTAL			37,25,56,162		<u>37,99,90,143</u>
Earning per share basic			12.28		16.43
Earning per share diluted			12.28		16.25
Notes on accounts & accounting policies	T				

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Place : Ditasan, Mehsana

Dated : 12th August, 2011

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Asit Patel
Managing Director

R. C. Gosain
Director

Place : Ditasan, Mehsana

Dated : 12th August, 2011

**CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	31-03-2011 Rupees	31-03-2010 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra ordinary items	30,75,59,845	41,42,86,534
Adjustment for :		
Depreciation	2,94,80,573	2,14,39,209
Interest	2,57,94,763	1,26,85,280
Profit/Loss on Sales of Fixed Assets (Net)	10,93,142	19,76,929
Profit on sale of Investments, Interest & Other Income	(3,93,98,598)	(3,31,66,970)
Provision for taxation (Net)	(9,60,00,000)	(13,45,00,000)
Operating Profit before working capital changes	22,85,29,725	28,27,20,982
Adjustment for :		
Trade & other receivables	4,88,39,604	(17,25,49,605)
Inventories	(6,58,68,588)	(6,78,38,974)
Loans & Advances	4,70,28,708	(2,45,33,856)
Other Assets	1,66,264	(25,97,768)
Current liabilities	13,14,27,849	76,65,446
Cash generated from operations	39,01,23,562	2,28,66,224
Direct taxes / provisions (Net)	(55,72,246)	1,11,76,378
Net Cash from operating activities (A)	38,45,51,316	3,40,42,602
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital Work in Progress	(9,90,20,365)	(25,23,92,871)
Sales of fixed Assets	17,07,306	22,61,690
Sales & Purchase of Investments (Net off)	(21,48,23,866)	(73,68,768)
Profit on sale of investments & other income	1,10,14,591	72,43,160
Interest Received/(paid)	2,83,84,007	2,59,23,810
Net Cash used in Investing Activities (B)	(27,27,38,327)	(22,43,32,979)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in cash credit	3,52,77,713	11,14,71,961
Increase/(Decrease) in term loan	2,23,07,570	(1,04,98,561)
Receipt/(Repayment) of loans/deposits	(7,45,982)	8,37,82,927
Up-front payment against Share warrant	0	(99,00,000)
Increase in Share Capital	0	55,00,000
Share Premium Received	0	9,35,00,000
Interest paid	(2,57,94,763)	(1,26,85,280)
Dividend and tax there on	(9,66,39,502)	(4,84,79,803)
Net Cash (used) Generated in Financing Activities (C)	(6,55,94,964)	21,26,91,244
Net increase in Cash & Cash Equivalent (A+B+C)	4,62,18,025	2,24,00,867
Opening Cash & Cash Equivalent-Opening Balance	8,69,87,236	6,45,86,369
Closing cash & Cash Equivalent-Closing Balance	13,32,05,261	8,69,87,236

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Place : Ditasan, Mehsana

Dated : 12th August, 2011

For & on behalf of Board of Directors

Asit Patel

Managing Director

R. C. Gosain

Director

Place : Ditasan, Mehsana

Dated : 12th August, 2011

GUJARAT APOLLO INDUSTRIES LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-A : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
20000000 Equity shares of Rs. 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
16575000 Equity Shares of Rs. 10/- each fully paid up (Out of which 12525000 Equity Shares issued as bonus shares.)	<u>16,57,50,000</u>	<u>16,57,50,000</u>
TOTAL	<u><u>16,57,50,000</u></u>	<u><u>16,57,50,000</u></u>
 SCHEDULE-B : RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	99,47,50,000	84,75,00,000
Less : Transferred to Equity Capital against bonus shares	0	27,50,000
Add : Transferred from Profit and Loss Account	<u>12,00,00,000</u>	<u>15,00,00,000</u>
Sub total	<u>1,11,47,50,000</u>	<u>99,47,50,000</u>
Profit and Loss Account	15,59,16,660	18,15,10,340
Security Premium Account	<u>9,35,00,000</u>	<u>9,35,00,000</u>
TOTAL	<u><u>1,36,41,66,660</u></u>	<u><u>1,26,97,60,340</u></u>
 SCHEDULE-C : SECURED LOANS		
(a) Cash Credit		
From State Bank of India (Above borrowings for working capital are secured by hypothecation of raw material, stock in process, finished goods, consumable stores and tools and book debts. These borrowings have been guaranteed by two Directors of the company and second charge created on movable and immovable properties.)	22,61,18,877	20,38,11,307
(b) Overdraft		
From Dena Bank (Above borrowing is secured against Term Deposit Receipt with Dena Bank)	3,52,77,713	0
TOTAL	<u><u>26,13,96,590</u></u>	<u><u>20,38,11,307</u></u>
 SCHEDULE-D : UNSECURED LOANS		
From Shareholders	9,15,88,000	11,14,80,000
From Public	8,27,50,000	5,50,98,000
From Corporate bodies	2,95,275	6,01,257
From Directors	<u>2,00,000</u>	<u>84,00,000</u>
TOTAL	<u><u>17,48,33,275</u></u>	<u><u>17,55,79,257</u></u>

SCHEDULE - E : FIXED ASSETS

Sr. No.	Assets Description	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
		As on 01.04.2010 (Rupees)	Additions During the year (Rupees)	Deduction During the year (Rupees)	Total As on 31-3-2011 (Rupees)	Upto 31-03-2010 (Rupees)	Deduction during the year (Rupees)	For the year 2010-2011 (Rupees)	Total as on 31-3-2011 (Rupees)	As on 31-3-2011 (Rupees)	As on 31-3-2010 (Rupees)	
1	Freehold Land	12,95,03,729	1,67,86,738	0	14,62,90,467	0	0	0	0	14,62,90,467	12,95,03,729	
2	Office Premises	3,06,26,492	19,88,681	0	3,26,15,173	31,32,850	0	5,05,162	36,38,012	2,89,77,161	2,74,93,642	
3	Factory Building	14,01,62,823	5,73,96,530	0	19,75,59,353	1,70,76,625	0	50,55,581	2,21,32,206	17,54,27,147	12,30,86,198	
4	Worker's Quarters	1,05,83,127	0	0	1,05,83,127	3,48,712	0	1,72,505	5,21,217	1,00,61,910	1,02,34,415	
5	Plant & Machinery	21,61,47,645	3,30,99,875	13,91,630	24,78,55,890	5,71,12,377	11,36,890	1,05,34,300	6,65,09,787	18,13,46,103	15,90,35,268	
6	Electrical Installation	69,46,306	1,18,800	0	70,65,106	25,52,895	0	3,11,008	28,63,903	42,01,203	43,93,411	
7	Furniture & Fixtures	1,98,46,069	47,19,279	0	2,45,65,348	69,88,165	0	13,25,010	83,13,175	1,62,52,173	1,28,57,904	
8	Office Equipments	2,35,96,104	58,41,339	12,40,733	2,81,96,710	94,60,382	9,32,565	28,30,170	1,13,57,987	1,68,38,723	1,41,35,722	
9	Vehicles	2,03,53,714	1,58,53,199	30,96,952	3,31,09,961	56,81,533	13,41,705	24,08,666	67,48,494	2,63,61,467	1,46,72,181	
	Total	59,77,66,009	13,58,04,441	57,29,315	72,78,41,135	10,23,53,539	34,11,160	2,31,42,402	12,20,84,781	60,57,56,354	49,54,12,470	
(B)	Intangible Assets											
10	Technical Knowhow	2,19,19,136	0	0	2,19,19,136	1,18,85,374	0	41,57,066	1,60,42,440	58,76,696	1,00,33,762	
11	Capitalised Software	99,65,622	26,60,560	5,29,565	1,20,96,618	45,23,454	47,272	17,82,458	62,58,641	58,37,977	54,42,168	
	Total	3,18,84,758	26,60,560	5,29,565	3,40,15,754	164,08,828	47,272	59,39,524	2,23,01,081	1,17,14,673	1,54,75,930	
	Total Rupees(A+B)	62,96,50,767	13,84,65,001	62,58,880	76,18,56,889	11,87,62,367	34,58,432	2,90,81,926	14,43,85,862	61,74,71,027	51,08,88,400	
	Total Rupees (Previous Year)	37,43,74,862	26,14,31,910	61,56,005	62,96,50,767	9,92,40,544	19,17,386	2,14,39,209	11,87,62,367	51,08,88,400	27,51,34,319	

GUJARAT APOLLO INDUSTRIES LIMITED

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-F : INVESTMENTS		
(A) Long Term (All Unquoted at Cost)		
1. In 13160 Bonds of Sardar Sarovar Narmada Nigam Ltd.	13,16,000	13,16,000
2. Equity Shares of subsidiary/Associate companies:		
a. 1019990 (PY 1019990) Equity shares of Apollo Earthmovers Ltd. of Rs. 10/- each fully paid-up	31,25,33,000	13,25,33,000
In other companies		
b. Investment in - Apollo Maschinenbau GmbH, Germany	3,79,44,000	30,29,500
c. 80000 (P.Y 20000) Equity shares of Rs. 10/- each of Apollo Construction Equipments Ltd.	1,20,30,000	1,20,30,000
3. Investment In - Partnership Firm		
Apollo Quarry Works	45,00,000	45,00,000
(B) Current Investment		
a. In 50000 units of S B I Infrastructure Fund (Market value Rs. 4,91,322)	5,00,000	5,00,000
b. In current year NIL (P.Y 9034) units of S B I Premier Liquid Fund Institutional	0	90,634
TOTAL	36,88,23,000	15,39,99,134
SCHEDULE -G : INVENTORIES		
(As per inventory taken, valued and certified by Management)		
Raw Material and bought out spares	17,88,39,872	20,68,16,784
Scrap (Estimated value)	10,48,124	6,02,813
Stores & tools	43,41,484	46,73,999
Semi finished goods	17,65,08,724	9,99,76,461
Finished goods	7,59,81,744	5,87,81,304
TOTAL	43,67,19,948	37,08,51,361
SCHEDULE-H : SUNDRY DEBTORS		
(Unsecured, Unconfirmed, Considered good)		
Outstanding exceeding six months	9,82,89,576	12,01,75,483
Others	25,69,41,245	29,48,65,613
	35,52,30,821	41,50,41,096
Less: Unaccrued sales (cumulative)	1,89,48,957	2,99,19,628
TOTAL	33,62,81,864	38,51,21,468
SCHEDULE-I : CASH AND BANK BALANCES		
Cash and cheques on hand	43,10,470	25,07,150
Balance with Scheduled Banks in current accounts	6,68,94,791	6,14,80,086
Fixed Deposit with Scheduled Banks	6,20,00,000	2,30,00,000
TOTAL	13,32,05,261	8,69,87,236

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-J : OTHER ASSETS		
Interest accrued on investment	68,67,345	70,33,609
TOTAL	<u>68,67,345</u>	<u>70,33,609</u>
SCHEDULE- K : LOANS AND ADVANCES (Unsecured, Unconfirmed, Considered good)		
Advances recoverable in cash or in kind or for value to be received	12,11,94,588	13,62,84,408
Deposits	5,34,32,381	2,77,06,691
Inter Corporate Deposits	27,62,61,703	31,10,11,091
Advance Income Tax Net off Provision	11,83,03,665	14,12,18,855
TOTAL	<u>56,91,92,337</u>	<u>61,62,21,045</u>
SCHEDULE-L : CURRENT LIABILITIES		
Sundry Creditors	24,68,23,415	12,31,93,897
Unpaid Dividend & TDS	50,66,151	37,32,413
Advances against orders	4,30,60,371	3,65,95,779
TOTAL	<u>29,49,49,937</u>	<u>16,35,22,089</u>
SCHEDULE-M : PROVISIONS		
Provision for Income Tax	9,60,00,000	13,45,00,000
Provision for Expenses	1,27,28,569	1,54,60,514
Provision for Dividend & Dividend tax (Includes one time Special Dividend of Rs. 2.50 per share)	9,66,39,502	4,84,79,803
TOTAL	<u>20,53,68,071</u>	<u>19,84,40,317</u>
SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011		
	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-N : SALES AND OTHER RECEIPT		
Sales (Gross) & Other Operating Income	2,13,21,28,760	2,13,61,96,447
Contract Receipts	0	54,36,139
TOTAL	<u>2,13,21,28,760</u>	<u>2,14,16,32,586</u>
Other Income	3,93,98,597	3,31,66,970
SCHEDULE -O : MATERIAL COST		
(A) Raw Materials and Consumables		
Opening Stock	20,68,16,784	12,51,24,189
Add: Purchases	1,31,08,32,888	1,22,62,82,814
Total	1,51,76,49,672	1,35,14,07,003
Less: Closing stock	17,88,39,872	20,68,16,784
Sub Total (A)	<u>1,33,88,09,800</u>	<u>1,14,45,90,219</u>
(B) Movement in value of finished/trading goods and work-in-progress		
Opening Stock	15,93,60,578	17,26,45,229
Closing Stock	25,35,38,592	15,93,60,578
(Increase)/Decrease (B)	<u>(9,41,78,014)</u>	<u>1,32,84,651</u>
TOTAL (A+B)	<u>1,24,46,31,785</u>	<u>1,15,78,74,869</u>

GUJARAT APOLLO INDUSTRIES LIMITED

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE -P : MANUFACTURING EXPENSES		
Stores & Tools consumed	3,19,46,243	3,53,15,717
Power & Fuel	71,53,536	68,10,962
Labour charges	3,23,34,096	3,22,69,516
Factory expenses	51,92,423	1,18,00,030
Transportation, Cartage and Octroi (inward)	18,60,038	22,80,835
Repairs to Plant & Machinery	38,72,244	38,20,055
Repairs to Factory Building	11,45,132	4,55,309
Royalty	0	97,123
Sub contract charges	0	51,10,358
TOTAL	<u>8,35,03,712</u>	<u>9,79,59,905</u>
 SCHEDULE-Q : EMPLOYEES COST		
Salaries and Wages	5,87,59,127	6,08,35,954
Contribution to Provident Fund	29,10,608	26,20,890
Staff Welfare	48,51,294	49,10,512
Bonus and Gratuity	53,19,176	29,74,434
TOTAL	<u>7,18,40,205</u>	<u>7,13,41,790</u>
 SCHEDULE-R : ADMINISTRATIVE EXPENSES		
Office and administrative expenses (Including Director's sitting fees Rs 55,000)	57,10,976	76,95,096
Postage, telephone and telex expenses	58,19,649	54,83,440
Travelling and conveyance	1,45,89,011	1,11,34,566
Stationary and printing expenses	12,21,765	11,89,214
Bank charges and commission	55,65,814	56,31,273
Professional charges	2,18,44,953	1,90,41,092
Miscellaneous expenses	33,30,520	97,52,710
Insurance premium	15,72,067	12,61,372
Vehicle running and maintenance	39,42,852	34,47,122
Director's remuneration	1,60,94,169	1,85,76,114
Exchange Rate Difference	32,47,970	2,06,05,239
Bad Debts written off (Net off bad debts recovered)	1,19,72,480	1,12,22,103
Loss on sale of assets (Net)	10,93,142	19,76,929
TOTAL	<u>9,60,05,368</u>	<u>11,70,16,270</u>
 SCHEDULE-S : SELLING AND DISTRIBUTION EXPENSES		
Erection and after sales service	2,02,30,922	2,72,09,751
Advertisement and sales promotion	2,48,17,995	82,00,409
Commission on sales	1,07,23,168	2,15,19,790
Freight outward	4,41,92,371	4,44,28,099
Packing & forwarding expenses	15,94,415	14,14,799
TOTAL	<u>10,15,58,871</u>	<u>10,27,72,848</u>

SCHEDULE - T
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,
2011

1. Significant Accounting Policies

1.1 Convention and Basis of Preparation of Financial Statements

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

1.2 Fixed Assets

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

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

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

1.3. Intangible Assets

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

1.4 Depreciation/Amortization/Impairment

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

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

Impairment of assets

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

1.5 Investments

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

1.6 Inventories

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

1.7 Employees Benefits

i. Gratuity:

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

ii. Provident fund:

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

iii. Compensated absences:

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

1.8 Revenue Recognition

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

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

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

Interest income is recognized on the time proportion method.

1.9 Taxation

Tax expenses comprises of current, and deferred tax.

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

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

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

1.10 Foreign Currency Transactions

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

1.11 Borrowing Cost

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

1.12 Contingent liabilities and provisions:

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

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

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

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

2. Earnings Per Share :

	31.03.2011	31.03.2010
a) Total number of equity shares outstanding at the end of the year	1,65,75,000	1,65,75,000
b) Net profit after tax available for equity Shareholders	20,35,45,832	26,93,41,206
c) Basic and Diluted Earnings (in Rupees) per share	12.28	16.43
d) Diluted Earning (in Rupees) per share	12.28	16.25

3. Deferred Tax

The break up of net deferred tax liability as at 31st March, 2011 is as under.

A. Deferred Tax Liability Related to Fixed Assets :	3,20,75,086	2,16,29,758
B. Deferred Tax Assets:Disallowance under Section 43B of the Income Tax Act, 1961	80,14,022	1,04,45,328
C. Deferred Tax Liability (net)	4,00,89,108	3,20,75,086

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

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

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

	2010-2011		2009-2010		
	Qty.	Value	Qty.	Value	
c) Production of road construction & maintenance machinery	271	-	261	-	
d) Sales :					
Manufacturing & trading activities:					
i) Road Construction and maintenance machinery	272	1,96,90,84,421	268	1,93,48,56,524	
ii) Spares and Others	*	15,26,82,318	*	18,71,58,886	
		<u>2,12,17,66,739</u>		<u>2,12,20,15,410</u>	
e) RAW MATERIALS CONSUMED AND SPARES PURCHASE :					
	Unit	Quantity	Rupees	Quantity	Rupees
I. IRON & STEEL:					
Mild Steel	MT.	10979	39,58,83,111	9984	32,37,43,405
M S Pipe	Mtr.	119133	2,79,85,931	118980	2,66,29,560
II. Spares	Lot	*	91,49,40,758	*	79,42,17,254
Total			<u>1,33,88,09,800</u>		<u>1,14,45,90,219</u>

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

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

GUJARAT APOLLO INDUSTRIES LIMITED

Particulars	31.03.2011		31.03.2010	
	Quantity	Rupees	Quantity	Rupees
f. Opening stock of road construction & maintenance machinery	3	5,87,81,304	9	6,93,62,040
g. Closing stock of road construction and maintenance machinery & Spares (“this includes seven units lying at various exhibition sites, two returned units” and includes spares which are not quantified)	9	7,59,81,744	3	5,87,81,304
Value of imported & indigenous raw material consumed and their percentage :				
Particulars	31.03.2011		31.03.2010	
	%	Amount	%	Amount
Imported	04.83	64,720,404	11.21	12,82,20,200
Indigenous	95.17	1,27,40,89,396	88.79	1,01,63,70,019
Total	<u>100.00</u>	<u>1,33,88,09,800</u>	<u>100.00</u>	<u>1,14,45,90,219</u>
			31.03.2011	31.03.2010
			Rupees	Rupees
5. Earnings in Foreign Exchange (on accrual basis) :				
A. Export of Goods:				
i. Direct on FOB basis		32,23,50,908		34,65,52,059
ii. Deemed Exports		2,71,25,500		5,27,34,000
B. Export of service		5,61,790		2,79,821
6. Value of imports on CIF basis (on accrual basis) :				
Raw Material & Components		4,96,43,597		6,56,17,066
Capital Goods		51,18,638		4,72,16,130
7. Expenditure in foreign currency (on accrual basis) :				
Traveling, After Sales Service Expenses and other expenses		74,80,351		83,53,684
Commission & other business promotion expenses		2,34,68,765		1,86,09,839
Technical Know-how & Royalty		NIL		43,04,623
8. Contingent liabilities:				
i. In respect of Bank Guarantees issued by Banks		5,22,80,981		2,94,23,444
ii. In respect of Letter of Credit issued by Banks		54,09,554		2,82,84,436
iii. Director General, Foreign Trade, Demand not acknowledged by the company		1,60,96,767		1,60,96,767
iv. In respect of Sales Tax and Service Tax Demand		40,13,168		23,13,000
v. Liability on account of non fulfillment under EPCG Scheme (the same has not been provided in the books as Company is of opinion that the required exports would be made in stipulated time as prescribed in the scheme)		75,62,540		75,62,540
vi. Claims against the Company not acknowledged as debts		12,81,902		12,81,902
9. Auditors' Remuneration (Excluding service tax)				
i. Audit Fees		3,00,000		2,50,000
ii. Other Services		1,00,000		1,50,000
iii. Reimbursement of out of pocket expenses		29,283		32,589
Total		<u>4,29,283</u>		<u>4,32,589</u>

10. The confirmation of some of the parties for the amount due to them/amount due from them as per the books of accounts is not reconciled. Necessary adjustment, if any, will be made when the Accounts are Reconcile / Settled.
11. The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small And Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.
12. (a) Managerial remuneration paid/payable to Directors in pursuant to Section 269 read with Schedule XIII of the Companies Act, 1956:

	2010-2011	2009-2010
	<u>Rupees</u>	<u>Rupees</u>
Remuneration	30,05,000	27,85,000
Commission on Net Profit	1,27,28,569	1,54,60,514
P.F. Contribution	3,60,600	3,30,600
TOTAL	<u>1,60,94,169</u>	<u>1,85,76,114</u>

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

	2010-2011	2009-2010
	<u>Rupees</u>	<u>Rupees</u>
(a) Profit before taxation	30,75,59,845	41,42,86,534
(b) Add: Managerial Remuneration	1,60,94,169	1,85,76,114
Loss on Sale of Assets	10,93,142	19,76,929
(c) Sub total (a) + (b)	32,47,47,156	43,48,39,577
Less: 1. Interest & Rent received	3,79,10,665	3,23,40,365
2. Dividend received	15,47,562	5,25,837
(d) Net profit as per Section 349 of the Companies Act, 1956	28,52,88,929	40,19,73,375
Commission payable to Managing Director @2% & 1% each to Executive Director and Whole time Director, and 1% to Non-Executive Directors on pro-rata basis.	<u>1,27,28,569</u>	<u>1,54,60,514</u>

13. 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:

	2010-11	2009-10
	<u>Rupees</u>	<u>Rupees</u>
SALES		
Export Sales	32,29,12,698	34,68,31,880
Domestic Sales	1,80,92,16,062	1,79,48,00,706
Total	<u>2,13,21,28,760</u>	<u>2,14,16,32,586</u>

14. Previous year figures

The previous year’s figures have been reworked, regrouped, rearranged and reclassified wherever necessary to confirm to this year’s classification.

GUJARAT APOLLO INDUSTRIES LIMITED

15. Disclosures as per AS-15:

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

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

Details of Provision for Gratuity :

PARTICULARS	Amount in Rupees			
	GRATUITY		LEAVE ENCASHMENT	
	2010-11	2009-10	2010-11	2009-10
Defined Benefit Obligation	1,15,17,325	84,85,983	30,63,089	23,61,253
Fair Value of Plan Assets	1,38,74,148	1,05,33,686	37,64,749	25,45,842
Plan (Assets)Liabilities	(23,56,823)	(20,47,703)	(7,01,660)	(1,84,589)
Change in defined benefit obligation				
Present Value of Obligation as at beginning of year	84,85,983	88,70,939	23,61,253	26,26,327
Current Service Cost	10,92,504	12,62,158	2,16,491	2,10,106
Interest Cost	6,78,879	7,09,675	1,88,900	11,01,114
Actuarial (Gain)/Loss on obligation	15,41,718	(12,41,074)	3,76,455	(3,15,395)
Benefit Paid	(2,81,759)	11,15,715	(80,010)	(12,60,899)
Defined Benefit Obligation, end of the year	1,15,17,325	84,85,983	30,63,089	23,61,253
Change in fair value of Plan Assets				
Fair Value of Plan Assets, At beginning of the year	1,05,33,686	1,06,44,329	25,45,842	26,26,993
Expected return on plan assets	9,65,900	9,55,199	2,56,364	2,34,244
Contribution by Employer	26,56,321	1,75,232	10,42,553	0
Benefit Paid	(2,81,759)	(12,41,074)	(80,010)	(3,15,395)
Actuarial (Gain)/Loss on plan assets	0	0	0	0
Fair Value of Plan assets at the end of year	1,38,74,148	1,05,33,686	37,64,749	25,45,842
Net Period Gratuity Cost				
Current Service Cost	10,92,504	12,62,158	2,16,491	2,10,106
Interest Cost on Benefit obligation	6,78,879	7,09,675	1,88,900	11,01,114
Net Actuarial (Gain)/Loss recognised in the year	15,41,718	(12,41,074)	3,76,455	(3,15,395)
Expected return on plan assets	(9,65,900)	(9,55,199)	(2,56,364)	(2,34,244)
Net benefit Expenses	23,47,201	(2,24,440)	5,25,482	7,61,581

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%

16. Related Party Disclosures :
(A) List of related parties with whom transactions have taken place during the year
i Subsidiaries & Associates

Name of the related parties.	Nature of the relationship
(a) Apollo Industries & Projects Limited.	Associate
(b) Apollo Earthmovers Limited.	Subsidiary
(c) Circuit Systems India Limited.	Associate
(d) Apollo Maschinenbau GmbH, Germany	Subsidiary
(e) Apollo Quarry Works	Associate
(f) Zam Zam Exports Limited.	Associate
(g) Apollo Construction Equipments Limited	Associate

ii Key Managerial Personnel

(a) Mr. Asit A. Patel	Managing Director
(b) Mr. Anand A. Patel	Whole-Time Director
(c) Mr. Anil T. Patel	Director
(d) Mr. Ajitkumar T. Patel	Whole-Time Director
(e) Mr. Manibhai V. Patel	Director

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

Particulars	Associates	Subsidiary & Fellow subsidiary	Key Managerial Personnel
a) Sales, Services and other income	66,66,313 (2,16,15,340)	2,73,26,026 (12,24,78,731)	NIL (NIL)
b) Purchase of Raw Material and Components	7,80,79,951 (8,08,30,637)	13,04,90,504 (4,10,54,600)	NIL (NIL)
c) Interest & Other Expenditures & Services	6,08,263 (6,67,725)	NIL (NIL)	NIL (NIL)
d) Inter Corporate Deposits placed/ (Received) with related parties net amount.	(8,50,00,000) (20,30,56,250)	2,78,19,450 (NIL)	2,00,000 (NIL)
e) Interest income from related parties	2,90,44,935 (2,90,00,000)	NIL (2,69,62,550)	NIL (84,00,000)
f) Salary & Commission on profit	NA	NA	1,60,94,169 (1,85,76,114)
g) Purchase of Capital Assets	NIL	NIL	1,55,72,000 (10,67,32,000)
h) Outstanding balances as at 31 st March, 2011			
I. Due to company:	2,05,29,689 (1,69,76,592)	1,32,95,335 (9,06,14,196)	NIL (NIL)
II. Payable by company	1,74,68,328 (91,05,139)	4,46,53,190 (11,63,935)	10,42,750 (5,82,405)
III. Inter corporate Deposit receivable	21,95,68,397 (27,96,65,026)	5,57,28,845 (2,69,62,550)	NIL (NIL)

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.
Chartered Accountants

Firm No. 100571W

A.A. Thakkar
Sole Proprietor

Membership No. 14334

Place : Ditasan, Mehsana

 Dated : 12th August, 2011

For & on behalf of Board of Directors
Suresh Shah
Company Secretary
Asit Patel
Managing Director
R. C. Gosain
Director

 Place : Ditasan, Mehsana
 Dated : 12th August, 2011

GUJARAT APOLLO INDUSTRIES LIMITED

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

I. REGISTRATION DETAILS

Registration No. State Code
Balance Sheet Date
Date Month Year

II. CAPITAL RAISED DURING THE YEAR

Public Issue Rights Issue
Bonus Issue Private Placement

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

Total Liabilities	<input type="text" value="2006235633"/>	Total Assets	<input type="text" value="2006235633"/>
Sources of Funds		Application of Funds	
Paid-up Capital	<input type="text" value="165750000"/>	Net Fixed Assets	<input type="text" value="655463886"/>
Reserves & Surplus	<input type="text" value="1364166660"/>	Investments	<input type="text" value="368823000"/>
Secured Loans	<input type="text" value="261396590"/>	Net Current Assets	<input type="text" value="981948747"/>
Unsecured Loans	<input type="text" value="174833275"/>	Misc. Expenditure	<input type="text" value="NIL"/>
Deffered Tax Liability	<input type="text" value="40089108"/>	Accumulated Losses	<input type="text" value="NIL"/>

IV. PERFORMANCE OF COMPANY (IN RS.)

Turnover	<input type="text" value="2018508216"/>	Total Expenditure	<input type="text" value="1710948371"/>
Profit Before Tax	<input type="text" value="307559845"/>	Profit After Tax	<input type="text" value="203545822"/>
Earning Per Share	<input type="text" value="12.28"/>	Dividend per share	<input type="text" value="5.00"/>

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

Item Code No. (ITC Code) :

Products Description :

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

A.A. Thakkar
Sole Proprietor
Membership No. 14334

Place : Ditasan, Mehsana
Dated : 12th August, 2011

Signatures to Schedule 'A' to 'T'

For & on behalf of Board of Directors

Asit Patel **R. C. Gosain**
Managing Director Director

Place : Ditasan, Mehsana
Dated : 12th August, 2011

DETAILS OF SUBSIDIARY COMPANIES

**(Pursuant to letter no. 5/12/2007-CL-III dated 08-02-11
of Ministry of Corporate Affairs, Government of India)**

(Rs. in Lacs)

	Name of Subsidiary Company	Apollo Earthmovers Ltd.	Apollo Maschinenbau GmbH, Germany
1	Capital	1,20,00,000	3,79,44,000
2	Reserve	54,39,87,666	(1,77,10,286)
3	Total Assets	59,56,24,321	7,02,47,843
4	Total Liabilities	59,56,24,321	7,02,47,843
5	Investments	5,86,79,110	0
6	Turnover	1,06,71,54,598	6,29,08,459
7	Profit Before Taxation	23,07,10,587	(1,76,70,579)
8	Provision for Taxation	6,42,96,310	0
9	Profit After Taxation	16,64,14,277	(1,76,70,579)
10	Proposed Dividend	0	0

CONSOLIDATED AUDITORS' REPORT

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

We have examined the attached Consolidated Balance Sheet of GUJARAT APOLLO INDUSTRIES LIMITED and its subsidiaries (the GAIL Group) as at 31st March 2011 and also the consolidated Profit and Loss Account and the consolidated Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

In respect of the financial statement of the subsidiary, we did not carry out the audit. These 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 Rs. 5956.24 Lacs as at 31st March, 2011, the total revenue of Rs.11616.43 Lacs, net profit of Rs. 1664.14 Lacs and net cash inflow amounting to Rs.235.94 Lacs for the year ended on that date.

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

Since financial statement for the year ended 31st March, 2011 which was compiled by management of that company, were not audited, any adjustment to their balances could have consequential effects on the attached consolidated financial statement. However the size of these subsidiaries in the consolidated position is not significant in relative terms. The details of assets and revenue in respect of this subsidiary whose financial statements reflect total assets of Rs. 702.48 Lacs as at 31st March, 2011, the total revenue of Rs.629.08 Lacs, net Loss of Rs. 179.73 Lacs and net cash outflow amounting to Rs. 10.13 Lacs for the year ended on that date.

1. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", (AS) 23, and on the basis of these of the separate audited / certified financial statement of the GAIL Group included in the consolidated financial statements.
2. We report that on the basis of the information and according to the explanation given to us, and on the consideration of the separate audit report on individual audited financial statements of the GAIL Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies in Schedule-S and notes appearing thereon, given a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of Consolidated Balance Sheet, of the state of affairs of the GAIL Group as at 31st March, 2011;
 - b) in the case of Consolidated Profit and Loss Account, of the consolidated result of operations of the GAIL Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the GAIL Group for the year ended on that date.

FOR ARVIND A THAKKAR & CO.

Chartered Accountants
Firm Reg. No. 100571W

Place : Ditasan, Mehsana
Dated : 12th August, 2011

A.A. THAKKAR
Sole Proprietor
Membership No.14334

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
I SOURCES OF FUNDS:					
a) Shareholders' Funds					
[I] Share Capital	A	16,57,50,000		16,57,50,000	
[II] Reserves and Surplus	B	1,62,16,72,603		1,46,86,85,044	
			1,78,74,22,603		1,63,44,35,044
b) Minority Interest					
			4,633		5,87,01,380
c) Loan Funds:					
[I] Secured Loans	C	28,61,19,362		27,23,24,223	
[II] Unsecured Loans	D	17,73,83,653		17,80,59,257	
			46,35,03,015		45,03,83,480
d) Deffered Tax Liability					
			4,67,37,853		3,65,27,521
TOTAL			2,29,76,68,104		2,18,00,47,425
II APPLICATION OF FUNDS:					
a) Fixed Assets					
[I] Gross Block	E	93,23,81,596		76,83,83,669	
[II] Less: Depreciation		18,70,19,070		14,98,64,863	
[III] Net Block		74,53,62,526		61,85,18,806	
[IV] Capital Work in-Progress		3,79,92,859		7,99,56,220	
			78,33,55,385		69,84,75,026
b) Investments					
	F		7,70,25,110		22,26,01,744
c) Current Assets, Loans and Advances					
[I] Inventories	G	68,78,25,870		54,13,80,611	
[II] Sundry Debtors	H	39,76,10,127		47,44,36,951	
[III] Cash and Bank Balances	I	20,89,42,756		14,01,93,469	
[IV] Other Assets	J	68,67,345		70,33,609	
[IV] Loans & Advances	K	75,51,71,994		63,43,32,433	
		2,05,64,18,092		1,79,73,77,073	
Less: Current Liabilities and Provisions					
[I] Current Liabilities	L	38,16,51,661		32,50,02,471	
[iii] Provision	M	23,74,78,822		21,34,03,947	
		61,91,30,483		53,84,06,418	
NET CURRENT ASSETS			1,43,72,87,609		1,25,89,70,655
TOTAL			2,29,76,68,104		2,18,00,47,425
Note on accounts & accounting policies	T				

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Asit Patel
Managing Director

R. C. Gosain
Director

Place : Ditasan, Mehsana
Dated : 12th August, 2011

Place : Ditasan, Mehsana
Dated : 12th August, 2011

GUJARAT APOLLO INDUSTRIES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Current Year (Rupees)	Current Year (Rupees)	Previous Year (Rupees)	Previous Year (Rupees)
INCOME					
Sales and Other Income	N	3,23,28,59,539		2,86,30,90,013	
Less: Excise duty & Service Tax		23,77,50,160		17,67,10,218	
Total			2,99,51,09,379		2,68,63,79,795
EXPENDITURE:					
Material Cost	O	1,86,97,71,246		1,62,93,75,355	
Manufacturing expenses	P	11,75,03,120		11,34,78,992	
Employee Cost	Q	12,48,13,258		9,84,05,349	
Sales Tax & VAT		5,86,74,030		4,97,35,887	
Administrative and other expenses	R	13,55,16,742		13,33,91,262	
Selling and Distribution expenses	S	10,87,70,805		10,63,00,838	
Total			2,41,50,49,201		2,13,06,87,683
PROFIT BEFORE INTEREST, DEPRECIATION & TAXES			58,00,60,178		55,56,92,112
Interest		2,17,06,578		75,25,920	
Depreciation and Impairment		4,15,86,158		2,65,47,575	
			6,32,92,736		3,40,73,495
PROFIT BEFORE TAX			51,67,67,442		52,16,18,617
Provision for taxation		15,81,00,000		16,91,37,608	
Deferred tax liability (Net)		1,02,10,332	16,83,10,332	1,25,62,770	18,17,00,378
PROFIT AFTER TAX			34,84,57,110		33,99,18,239
Less : Minority Interest			2,20,18,724		1,04,89,290
Current year profit after Tax & minority interest			32,64,38,386		32,94,28,949
Less : Provisions for income tax of earlier years			1,22,47,391		0
NET PROFIT			31,41,90,995		32,94,28,949
Add: Balance brought forward from previous year			9,65,09,026		4,15,59,880
AMOUNT AVAILABLE FOR APPROPRIATION			41,07,00,021		37,09,88,829
APPROPRIATION					
General Reserve			17,00,00,000		22,60,00,000
Proposed Dividend			4,14,37,500		4,14,37,500
Proposed one time Special Dividend			4,14,37,500		
Tax on Proposed Dividend			1,37,64,502		70,42,303
Balance Carried to Balance Sheet			14,40,60,519		9,65,09,026
TOTAL			41,07,00,021		37,09,88,829
Earning per share basic			19.69		20.10
Earning per share diluted (after extra ordinary items)			14.97		19.88
Note on accounts & accounting policies	T				

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

For & on behalf of Board of Directors

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Suresh Shah
Company Secretary

Asit Patel
Managing Director

R. C. Gosain
Director

Place : Ditasan, Mehsana

Dated : 12th August, 2011

Place : Ditasan, Mehsana

Dated : 12th August, 2011

CONSOLIDATED CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF LISTING AGREEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011 Rupees	31.03.2010 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra Ordinary Items	51,67,67,442	52,16,18,617
Adjustment for depreciation	4,13,24,149	2,64,62,413
Interest	2,17,06,578	75,25,920
Profit/Loss on Sale of Fixed Assets (Net)	(7,71,99,805)	18,15,288
Profit on Sales of Investment, interest & other income	(3,39,98,598)	(3,18,18,107)
Provision for taxation (Net)	(15,81,00,000)	(16,91,37,608)
Operating profit before working capital changes	31,04,99,767	35,64,66,523
Adjustment for: Trade and Other receivables	7,68,26,823	(13,08,54,855)
Inventories	(14,64,45,260)	(15,38,47,467)
Loans & Advances	1,66,264	7,09,62,261
Other Assets	(12,08,39,560)	(25,97,768)
Current Liabilities	5,66,49,190	4,88,67,986
Cash Generated from Operations	17,68,57,224	18,89,96,680
Direct taxes/provisions (Net)	(13,28,14,006)	1,07,74,235
Net Cash from Operating Activities (A)	4,40,43,218	19,97,70,915
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/ Capital Work in Progress	(15,94,59,665)	(30,94,70,706)
Sales of Fixed Assets	11,04,54,962	28,02,689
Sales & Purchase of Investment (Net off)	14,55,76,634	(10,44,60,241)
Profit on Sale of Investments & other income	56,14,591	44,46,021
Interest Received / Paid	2,83,84,007	2,73,72,086
Net Cash used in Investing Activities (B)	13,05,70,528	(37,93,10,150)
C. CASH FLOW FORM FINANCING ACTIVITIES		
Increase/(Decrease) in Cash Credit	1,37,95,140	10,46,45,769
Increase/(Decrease) in Term Loan	0	(1,04,98,561)
Receipt/ (Payment) of Loans/ Deposits	(6,75,604)	8,31,59,176
Upfront Payment against Share Warrant	0	(99,00,000)
Increase in share capital	0	55,00,000
Share premium received	0	9,35,00,000
Interest paid	(2,17,06,578)	(75,25,920)
Dividend and Tax thereon	(9,66,39,502)	(4,84,79,803)
Net Cash (Used)/Generated in Financing Activities (C)	(10,52,26,545)	21,04,00,661
Forex Flactuation Translation Difference (D)	(6,37,916)	(62,736)
Net Increase in Cash & Cash Equivalents (A+B+C+D)	6,87,49,286	3,07,98,690
Opening Cash & Cash equivalents - Opening Balance	14,01,93,470	10,93,94,780
Closing Cash & Cash equivalents - Closing Balance	20,89,42,756	14,01,93,470

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Asit Patel
Managing Director

R. C. Gosain
Director

Place : Ditasan, Mehsana

Dated : 12th August, 2011

Place : Ditasan, Mehsana

Dated : 12th August, 2011

GUJARAT APOLLO INDUSTRIES LIMITED

**SCHEDULE FORMING PART OF CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2011**

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE - A : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
20000000 Equity shares of Rs. 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
16575000 Equity Shares of Rs.10/- each fully paid up (Out of which 12525000 equity shares issued as bonus shares)	<u>16,57,50,000</u>	<u>16,57,50,000</u>
TOTAL	<u><u>16,57,50,000</u></u>	<u><u>16,57,50,000</u></u>
 SCHEDULE - B : RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	1,21,47,50,000	99,15,00,000
Less: Transferred to Equity Capital against bonus shares	0	27,50,000
Add : Transferred from Profit and Loss Account	<u>17,00,00,000</u>	<u>22,60,00,000</u>
	<u>1,38,47,50,000</u>	<u>1,21,47,50,000</u>
Add : Profit and Loss Account	14,40,60,519	9,65,09,026
Add : Security Premium Account	9,35,00,000	9,35,00,000
Less : Foreign exchange translation reserve	<u>6,37,916</u>	<u>62,736</u>
TOTAL	<u>1,62,16,72,603</u>	<u>1,40,46,96,290</u>
CAPITAL RESERVE		
TOTAL	<u>0</u>	<u>6,39,88,754</u>
	<u><u>1,62,16,72,603</u></u>	<u><u>1,46,86,85,044</u></u>
 SCHEDULE - C : SECURED LOANS		
Cash Credit & Overdraft		
	<u>28,61,19,362</u>	<u>27,23,24,223</u>
TOTAL	<u><u>28,61,19,362</u></u>	<u><u>27,23,24,223</u></u>
 SCHEDULE - D : UNSECURED LOANS		
From Shareholders	9,15,88,000	11,39,60,000
From Public	8,27,50,000	5,50,98,000
From Corporate Bodies	28,45,653	6,01,257
From Director	<u>2,00,000</u>	<u>84,00,000</u>
TOTAL	<u>17,73,83,653</u>	<u>17,80,59,257</u>

SCHEDULE E FIXED ASSETS

Sr. No.	Assets Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK			
		As On 01.04.2010 (Rupees)	Addition During the year (Rupees)	Deduction during the year (Rupees)	Forex Translation (Rupees)	Total as on 31.3.2011 (Rupees)	As on 01.04.2010 (Rupees)	Deduction during the year (Rupees)	For the year (Rupees)	Forex Translation (Rupees)	Total as on 31.3.2011 (Rupees)	Ason 31.03.2011 (Rupees)	As on 31.03.2010 (Rupees)
1	Lease hold Land	80,92,638	0	0		80,92,638	0	0	0	0	0	80,92,638	80,92,638
2	Free Hold Land	15,86,80,211	1,67,86,738	2,91,76,482		14,62,90,467	0	0	0	0	0	14,62,90,467	15,86,80,211
3	Office Premises	3,06,26,492	19,88,681	0		3,26,15,173	31,32,850	5,05,162	0	0	36,38,012	2,89,77,161	2,74,93,642
4	Factory Building	15,65,90,516	6,13,01,984	0		21,78,92,500	2,46,94,446	57,31,709	0	0	3,04,26,156	18,74,66,345	13,18,96,070
5	Worker's Quarter	1,05,83,127	0	0		1,05,83,127	3,48,712	1,72,505	0	0	5,21,217	1,00,61,910	1,02,34,415
6	Plant & Machinery	27,28,51,961	4,39,50,595	15,24,798	13,250	31,52,91,008	7,04,84,346	1,33,87,952	3,988	0	8,26,75,661	23,26,15,347	20,23,67,615
7	Electrical Installation	79,92,051	1,54,500	17,100		81,29,451	35,44,670	11,571	3,48,314	0	38,81,413	42,48,038	44,47,381
8	Furniture & Fixture	2,30,70,698	47,46,304	0		2,78,17,003	86,74,083	16,06,941	0	0	1,02,81,025	1,75,35,978	1,43,96,615
9	Office Equipment	2,92,63,059	64,62,102	13,64,163	26,052	3,43,87,050	1,31,62,613	34,20,249	4,608	0	1,55,44,840	1,88,42,210	1,61,00,446
10	Vehicles	3,04,93,052	2,11,78,560	48,12,992	1,27,708	4,69,86,327	85,37,755	48,26,967	19,595	0	1,15,16,472	3,54,69,855	2,19,55,297
	Total Tangible Assets (A)	72,82,43,806	15,65,69,464	3,68,95,535	1,67,010	84,80,84,745	13,25,79,476	2,99,99,800	28,191	41,22,670	15,84,84,796	68,95,99,949	59,56,64,330
1	Goodwill On Consolidation	0	3,52,95,775	0	0	3,52,95,775	0	35,29,578	0	0	35,29,578	3,17,66,198	0
2	Computer software	1,06,46,977	26,82,090	5,29,565		1,27,99,503	47,68,847	18,94,604	0	47,272	66,16,180	61,83,323	58,78,130
3	Technical Knowhow	2,19,19,136	0	0		2,19,19,136	1,18,85,374	41,57,066	0	0	1,60,42,440	58,76,696	1,00,33,762
4	Intangible assets	75,73,750	60,71,877	0	6,36,810	1,42,82,437	6,31,166	16,06,463	1,08,448	0	23,46,077	1,19,36,360	69,42,584
	Total Intangible Assets (B)	4,01,39,863	4,40,49,743	5,29,565	6,36,810	8,42,96,851	1,72,85,387	1,11,87,711	1,08,448	47,272	2,85,34,274	5,57,62,577	2,28,54,476
	Total (A+B)	76,83,83,669	20,06,19,207	3,74,25,100	8,03,820	93,23,81,596	14,98,64,863	4,11,87,510	1,36,639	41,69,942	18,70,19,070	74,53,62,526	61,85,18,806
	Total for Previous Year	45,97,33,282	31,73,56,643	77,39,279	-9,66,978	76,83,83,669	12,65,23,751	2,65,47,575	-85,162	14,98,64,863	61,85,18,806	33,32,09,532	

GUJARAT APOLLO INDUSTRIES LIMITED

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-F : INVESTMENTS		
(A) Long Term (All Unquoted at Cost)		
1. In 13160 Bonds of Sardar Sarovar Narmada Nigam Ltd.	13,16,000	13,16,000
2. Equity Shares of subsidiary/Associate companies:		
c. 4933010 (Previous year 3331610) Equity Shares of Rs.10/- each of Apollo Industries & Projects Limited	3,12,29,110	1,51,85,110
d. 200000 (Previous year 200000) Equity Shares of Rs.10/- each of Zam Zam Exports Ltd.	2,00,50,000	2,00,50,000
3. In other companies / Firms		
a. 350000 (P Y 110000) Equity shares of Rs10/ each of Apollo Construction Equipments Ltd.	1,20,30,000	17,23,10,000
b. Investment In - Partnership Firm (Apollo Quarry Works)	45,00,000	45,00,000
c. NIL (Previous year 42000) shares of Rs.25/- each of the Mehsana Urban Co-operative Bank Ltd.	0	12,50,000
d. 440000 (Previous year 440000) shares of Tribhuvan Industries Pvt. Ltd.	44,00,000	44,00,000
e. 150000 (Previous year 150000) Apollo Construction Projects limited	30,00,000	30,00,000
(B) Current Investment		
a. In 50000 (PY 50000) units of S B I Infrastructure Fund	5,00,000	5,00,000
b. NIL (P.Y 9034) In Units of S B I Premier Liquid Fund Institutional	0	90,634
TOTAL	7,70,25,110	22,26,01,744
SCHEDULE -G : INVENTORIES		
(As per inventory taken, valued and certified by Management)		
Raw Material and bought out spares	29,75,88,626	31,27,51,415
Scrap (Estimated value)	10,48,124	9,80,982
Stores & tools	43,41,484	51,00,646
Semi finished goods	25,70,55,953	12,78,37,399
Finished Goods	12,77,91,683	9,47,10,169
TOTAL	68,78,25,870	54,13,80,611
SCHEDULE-H : SUNDRY DEBTORS		
(Unsecured, Unconfirmed, Considered good)		
Outstanding exceeding six months	12,16,48,485	11,77,65,727
Others	29,49,10,600	38,65,90,848
	41,65,59,085	50,43,56,575
Less: Unaccrued sales (cumulative)	1,89,48,958	299,19,624
TOTAL	39,76,10,127	47,44,36,951
SCHEDULE-I : CASH AND BANK BALANCES		
Cash and cheques on hand	45,33,373	28,12,663
Balance with Scheduled Banks in current accounts	9,47,07,504	10,64,07,604
Fixed Deposit with Scheduled Banks	10,92,05,758	2,76,40,758
Margin money with bank	4,96,121	33,32,444
TOTAL	20,89,42,756	14,01,93,469

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-J : OTHER ASSETS		
Interest accrued on investment	68,67,345	70,33,609
TOTAL	<u>68,67,345</u>	<u>70,33,609</u>
SCHEDULE- K : LOANS AND ADVANCES (Unsecured, Unconfirmed, Considered good)		
Advances recoverable in cash or in kind or for value to be received	14,01,66,139	16,31,59,367
Deposits	5,52,27,330	2,92,49,765
Advance to companies	43,16,70,057	28,40,48,541
Advance Income Tax and TDS	12,46,42,328	15,38,83,243
Advance for capital expenditure	30,46,190	30,46,190
Interest accrued but not DUE	4,19,950	9,45,327
TOTAL	<u>75,51,71,994</u>	<u>63,43,32,433</u>
SCHEDULE-L : CURRENT LIABILITIES		
Sundry Creditors	31,77,69,905	25,68,52,296
Unpaid Dividend & TDS	54,88,589	37,67,348
Advances against orders	5,70,71,451	6,41,40,467
Creditors for expenses	13,21,716	2,42,360
TOTAL	<u>38,16,51,661</u>	<u>32,50,02,471</u>
SCHEDULE-M : PROVISIONS		
Provision for Income Tax	11,92,05,766	14,68,64,973
Provision for Dividend & Dividend tax (Includes one time Special Dividend of Rs. 2.50 per share)	9,66,39,502	4,84,79,803
Provision for leave encashment	3,17,985	3,27,657
Provision for managerial remuneration & Expenses	2,13,15,569	1,77,31,514
TOTAL	<u>23,74,78,822</u>	<u>21,34,03,947</u>
SCHEDULE FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011		
	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE-N : SALES AND OTHER RECEIPT		
Sales (Gross) & Other Operating Income	3,12,05,67,994	2,82,44,86,904
Contract Receipts	0	54,36,139
TOTAL	<u>3,12,05,67,994</u>	<u>2,82,99,23,043</u>
Other Income	3,39,98,598	3,31,66,970
Extra ordinary income on sale of land	7,82,92,947	0
TOTAL	<u>3,23,28,59,539</u>	<u>2,86,30,90,013</u>
SCHEDULE -O : MATERIAL COST		
(A) Raw Materials and Consumables		
Opening Stock	31,27,51,415	16,17,45,019
Add: Purchases	2,01,62,16,505	1,78,32,22,822
Total	2,32,89,67,920	1,94,49,67,841
Less: Closing stock	29,75,88,626	31,27,51,415
Sub Total (A)	<u>2,03,13,79,294</u>	<u>1,63,22,16,426</u>
(B) Movement in value of finished/trading goods and work-in-progress		
Opening Stock	22,86,29,196	22,57,88,125
Closing Stock	39,02,37,244	22,86,29,196
(Increase)/Decrease (B)	<u>-16,16,08,048</u>	<u>-28,41,071</u>
TOTAL (A+B)	<u>1,86,97,71,246</u>	<u>1,62,93,75,355</u>

GUJARAT APOLLO INDUSTRIES LIMITED

	Current Year (Rupees)	Previous Year (Rupees)
SCHEDULE -P : MANUFACTURING EXPENSES		
Power & Fuel	1,55,88,648	1,16,37,957
Labour charges	5,58,31,889	5,78,14,218
Factory expenses	1,08,26,241	1,42,98,262
Transportation, Cartage and Octroi (inward)	78,34,999	64,44,275
Repairs to Plant & Machinery	46,92,594	47,13,309
Repairs to Factory Building	13,72,474	13,08,007
Royalty	0	97,123
Sub contract charges	0	51,10,358
Research and Development Expenses	2,13,56,275	1,20,55,483
TOTAL	<u>11,75,03,120</u>	<u>11,34,78,992</u>
SCHEDULE-Q : EMPLOYEES COST		
Salaries and wages	10,22,64,992	8,24,23,456
Contribution to Provident Fund	52,25,947	41,41,634
Staff Welfare	65,23,618	55,70,906
Bonus and Gratuity	1,07,98,701	62,69,353
TOTAL	<u>12,48,13,258</u>	<u>9,84,05,349</u>
SCHEDULE-R : ADMINISTRATIVE EXPENSES		
Office and administrative expenses	86,68,747	93,63,601
Postage, telephone and telex expenses	67,57,035	62,63,430
Travelling and conveyance	1,67,72,144	1,22,67,169
Stationary and printing expenses	18,28,546	15,84,347
Bank charges and commission	69,76,525	59,78,751
Professional charges	2,53,68,908	2,02,42,419
Miscellaneous expenses	39,51,540	1,01,84,180
Insurance premium	40,93,992	15,70,119
Vehicle running and maintenance	68,98,381	46,69,271
Director's remuneration	3,00,56,285	2,40,75,114
Exchange Rate Difference	32,47,970	2,06,05,762
Bad Debts written off (Net off bad debts recovered)	1,26,14,429	1,13,79,403
Loss on sale of assets(Net)	10,93,142	19,76,929
Repairs to others	5,53,222	4,54,867
Legal Fees and duties	63,92,710	26,73,569
Donation	2,43,166	1,02,331
TOTAL	<u>13,55,16,742</u>	<u>13,33,91,262</u>
SCHEDULE-S : SELLING AND DISTRIBUTION EXPENSES		
Erection and after sales service	1,81,67,403	3,02,37,557
Advertisement and sale promotion	3,14,03,280	85,56,588
Commission on sales	1,20,84,215	2,15,19,790
Freight outward	4,55,18,422	4,44,52,857
Packing & forwarding expenses	15,94,416	14,14,799
Discount	3,069	1,19,247
TOTAL	<u>10,87,70,805</u>	<u>10,63,00,838</u>

SCHEDULE - T
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

1. Basis of Consolidation

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

Subsidiary	Country of Incorporation	Ownership proportion 31.03.2011
1. Apollo Earthmovers Ltd.	India	99.99%
2. Apollo Maschinenbau GmbH	Germany	100%

2. Significant Accounting Policies

2.1 Convention and Basis of Preparation of Financial Statements

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

2.2 Fixed Assets

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

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

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

2.3. Intangible Assets

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

Goodwill represents the difference between the Groups share in the net worth of a subsidiary, and the cost of acquisition at each point of time of making investment in subsidiary. For this purpose, the Groups share of net worth is determined on basis of latest financial statement prior to acquisition after making adjustment for material events between the date of such statements and the date of respective acquisition capital reserve on consolidation represents the negative goodwill arising on consolidation.

Goodwill arising out of acquisition of equity share in subsidiary is amortised in equal amount over the period of ten years from the date of first acquisition, in event of cessation of operations of subsidiary the unamortized goodwill is written off fully.

2.4 Depreciation/Amortization/Impairment

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

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

Impairment of assets

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

2.5 Investments

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

2.6 Inventories

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

2.7 Employees Benefits

i. Gratuity:

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

ii. Provident fund:

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

iii. Compensated absences:

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

2.8 Revenue Recognition

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

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

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

Interest income is recognized on the time proportion method.

2.9 Taxation

Tax expenses comprises of current and deferred tax.

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

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

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

2.10 Foreign Currency Transactions

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

2.11 Borrowing Cost

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

2.12 Contingent liabilities and provisions:

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

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

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

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

3. Earnings per Share:

	31.03.2011	31.03.2010
	Rupees	Rupees
a) Total number of equity shares outstanding at the end of the year	1,65,75,000	1,65,75,000
b) Net profit after tax available for equity Shareholders	34,84,57,110	32,94,28,949
c) Basic Earnings (in Rupees) per share	19.69	20.10
d) Diluted Earnings (in Rupees) per share	14.97	19.88

4. Deferred Tax:

The break up of net deferred tax liability as at 31st March 2011 is as under;

A. Deferred Tax Liability Related to Fixed Assets:	3,65,27,521	2,39,64,751
B. Deferred Tax Assets:		
Disallowance under Section 43B of the Income Tax Act, 1961	1,02,10,332	1,25,62,770
C. Deferred Tax Liability (net)	4,67,37,853	3,65,27,521

5. Contingent liabilities:

i. In respect of Bank Guarantees issued by Banks	5,22,80,981	2,96,48,444
ii. In respect of Letter of Credit issued by Banks	54,09,554	2,82,84,436
iii. Director General, Foreign Trade, Demand Not acknowledged by the company	1,60,96,767	1,60,96,767
iv. In respect of Sales Tax and Service Tax Demand	40,13,168	23,13,000
v. Liability on account of non fulfillment under EPCG Scheme (the same has not been provided in the books as Company is of opinion that the required exports would be made in stipulated time as prescribed in the scheme)	75,62,540	75,62,540
vi. Claims against the Company not acknowledged as debts	12,81,902	12,81,902

6. Segment Reporting:

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

	2010-11	2009-10
	Rupees	Rupees
Domestic Sales	2,83,16,53,894	2,50,94,22,829
Export Sales (Only direct export)	32,29,12,698	34,82,31,045
Total	3,15,45,66,592	2,85,76,53,874

GUJARAT APOLLO INDUSTRIES LIMITED

7. Balance Confirmation

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

8. Previous year figures have been reworked, regrouped, rearranged and reclassified whenever necessary to conform to this year's classification.
9. Figures relating to subsidiary companies have been reclassified where necessary to bring in line with the holding company's financial statements.
10. Apollo Industrial Products Ltd. has been merged with Apollo Earthmovers Ltd., as per Honorable Gujarat High Court's order dated 30th March, 2011, where in appointed date has been fixed 1st April 2009. Consequently accounts of the fellow subsidiary that is Apollo Industrial Products Ltd. has been merged with Apollo Earthmovers Ltd. During the year, company has further acquired 15% shares of Apollo Earthmovers Ltd. and consequently total holding has gone upto 99.99%.

11. Disclosures as per AS-15:

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

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

Details of Provision for Gratuity

PARTICULARS	Amount in Rupees			
	GRATUITY		LEAVE ENCASHMENT	
	2010-11	2009-10	2010-11	2009-10
Defined Benefit Obligation	2,00,03,308	1,29,22,199	30,63,089	23,61,253
Fair Value of Plan Assets	2,44,07,834	1,71,10,170	37,64,749	25,45,842
Plan (Assets) Liabilities	(44,04,526)	(41,87,971)	(7,01,660)	(1,84,589)
Change in defined benefit obligation				
Present Value of Obligation as at beginning of year	1,73,56,922	1,35,40,760	23,61,253	26,26,327
Current Service Cost	23,54,662	14,60,941	2,16,491	2,10,106
Interest Cost	13,88,554	10,83,264	1,88,900	11,01,114
Actuarial (Gain)/Loss on obligation	3,00,644	(17,62,231)	3,76,455	(3,15,395)
Benefit Paid	8,33,956	8,30,895	(80,010)	(12,60,899)
Defined Benefit Obligation, end of the year	2,00,03,308	1,29,22,199	30,63,089	23,61,253
Change in fair value of Plan Assets				
Fair Value of Plan Assets, At beginning of the year	2,11,78,015	169,48,294	25,45,842	26,26,993
Expected return on plan assets	19,21,099	15,12,538	2,56,364	2,34,244
Contribution by Employer	28,31,553	1,75,232	10,42,553	0
Benefit Paid	(15,22,833)	(15,25,894)	(80,010)	(3,15,395)
Actuarial (Gain)/Loss on plan assets	0	0	0	0
Fair Value of Plan assets at the end of year	2,44,07,834	1,71,10,170	37,64,749	25,45,842
Net Period Gratuity Cost				
Current Service Cost	23,54,662	14,60,941	2,16,491	2,10,106
Interest Cost on Benefit obligation	13,88,554	10,83,264	1,88,900	11,01,114
Net Actuarial (Gain)/Loss recognised in the year	3,00,644	(17,62,231)	3,76,455	(3,15,395)
Expected return on plan assets	(19,21,099)	(15,12,538)	(2,56,364)	(2,34,244)
Net benefit Expenses	21,22,761	(7,30,564)	5,25,482	7,61,581

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investment with Insurer (Life Insurance Corporation of India)

Assumptions:

Discount rate	8 %
Expected rate of return on plan assets	8 %
Employee Turnover	1% to 3 %

12. Related Party Disclosures

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

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

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

Particulars	Associates	Key Managerial Personnel
a) Sales, Services and other income	1,39,05,736 (2,16,75,595)	Nil (Nil)
b) Purchase of Raw Material and Components	10,33,06,961 (9,10,34,476)	Nil (Nil)
c) Expenditures and other services	6,08,263 (6,67,725)	Nil (Nil)
d) Inter Corporate Deposits placed with related parties net of received.	2,10,00,000 (90,00,000)	2,00,000 (84,00,000)
e) Purchase of Capital Assets	Nil (Nil)	1,55,72,000 (10,67,32,000)
f) Interest income from related parties	3,60,17,490 (3,79,81,655)	Nil (Nil)
g) Remuneration/Others	N.A.	2,91,22,900 (2,40,74,114)
h) Outstanding balances as at 31st March, 2011;		
I. Due to company	2,05,29,689 (1,69,76,592)	Nil (Nil)
II. Payable by company	1,74,68,328 (1,56,18,157)	10,42,750 (5,82,405)
III. Inter corporate Deposit receivable	39,60,37,215 (37,12,70,837)	Nil (Nil)

(i) The above transactions are complied from the date in which these parties became related and do not include reimbursement of expenses which are accounted in the natural heads of accounts.

(ii) No amounts in respect of the related parties have been written off / back during the year

As per our Audit Report Annexed

For, Arvind A.Thakkar & Co.

Chartered Accountants

Firm No. 100571W

A.A. Thakkar

Sole Proprietor

Membership No. 14334

Place : Ditasan, Mehsana

Dated : 12th August, 2011

Suresh Shah
Company Secretary

For & on behalf of Board of Directors

Asit Patel
Managing Director

R. C. Gosain
Director

Place : Ditasan, Mehsana

Dated : 12th August, 2011

GUJARAT APOLLO INDUSTRIES LIMITED

GUJARAT APOLLO INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

DP ID*	
Client ID*	

FOLIO NUMBER :

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Shares held :

I hereby record my presence at the 24th Annual General Meeting of the Company to be held on Wednesday, 21st September, 2011 at 11.00 a.m. at Ditasan, P.O. Jagudan, State Highway, Mehsana - 382 710.

SIGNATURE OF THE SHAREHOLDER/PROXY

Strike out whichever is not applicable.

* Applicable for Investor holding shares in demat form.

✂ — TEAR HERE ————— ✂

GUJARAT APOLLO INDUSTRIES LIMITED

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

DP ID*	
Client ID*	

PROXY FORM

FOLIO NUMBER :

I/We _____ of _____ being
a member/members of Gujarat Apollo Industries Limited hereby appoint _____
_____ of
_____ or failing him
_____ of _____ as my/our
proxy to vote for me/us and on my/our behalf at the 24th Annual General Meeting to be held on Wednesday,
21st September, 2011 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2011

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.

Book-Post

: Our Motto :

"Using the highest standards of Ethics,

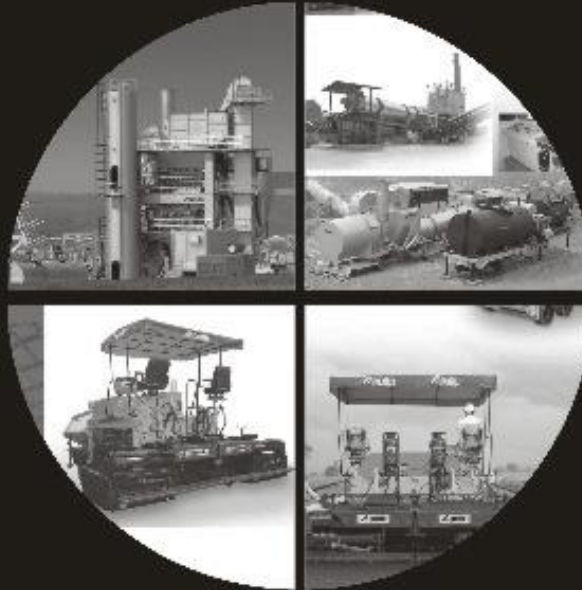
Create the Value for

Stakeholders, Customers, Employees,

Shareholders and Vendors alike;

Continuous Improvement of products, people and Processes."

25th
Entering 25th Year of Growth



GUJARAT APOLLO INDUSTRIES LIMITED

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

Tel : 079-26563730, 28444597, 66188888 Fax : 079-26564705