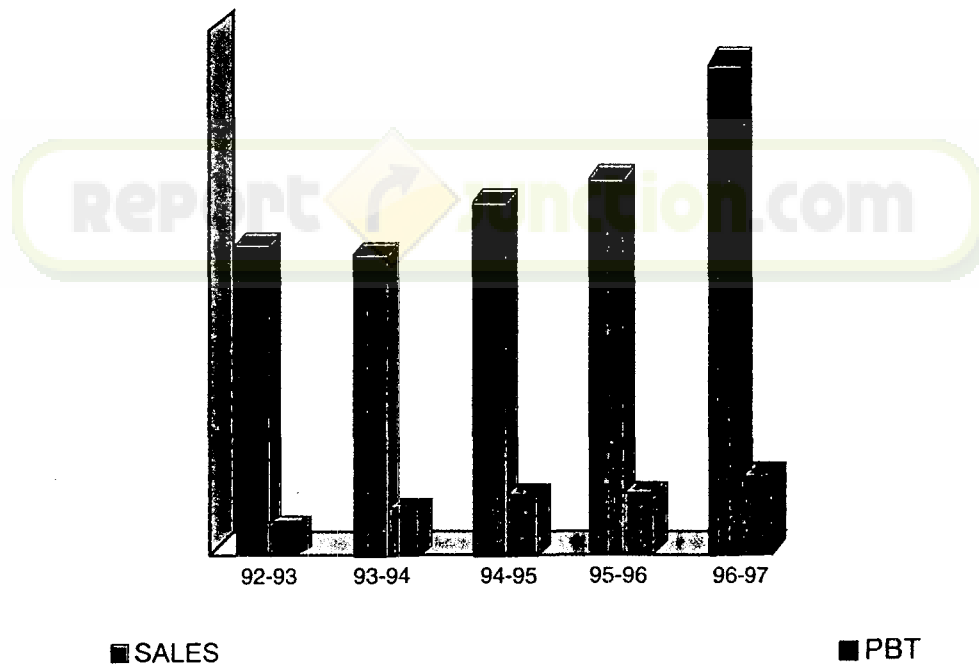


ANNUAL REPORT

1996 - 97

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SE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

MOVING AHEAD



GUJARAT APOLLO EQUIPMENTS LIMITED

Let's Build Better Roads



GUJARAT APOLLO EQUIPMENTS LIMITED

BOARD OF DIRECTORS

ANIL T. PATEL	— Chairman & Managing Director
MANIBHAI V. PATEL	— Director
ASHOK T. PATEL	— Wholetime Director
ASIT A. PATEL	— Executive Director
V. P. KAMDAR	— Director
M. N. PATEL	— Director
ASHOK J. PATEL	— Director

COMPANY SECRETARY

Suresh S. Shah

STATUTORY AUDITORS

Arvind A. Thakkar & Co.,
Chartered Accountants,
Ahmedabad.

INTERNAL AUDITORS

S. K. Moondra & Co.,
Chartered Accountants,
Ahmedabad.

BANKERS

Dena Bank
State Bank of India

REGISTERED OFFICE

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

CORPORATE OFFICE

Parishram,
5/B, Rashmi Society,
Mithakhali Circle,
Navrangpura,
Ahmedabad-380 009.



GUJARAT APOLLO EQUIPMENTS LIMITED**NOTICE**

NOTICE is hereby given that the Tenth Annual General Meeting of GUJARAT APOLLO EQUIPMENTS LIMITED will be held on Friday, the 26th day of September, 1997 at 11.30 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 the audited Balance-Sheet of the Company as at 31st March, 1997 and Profit and Loss account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. V. P. Kamdar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ashok T. Patel, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Section 269, 309, 310, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mr. Anil T. Patel be and is hereby reappointed as Managing Director of the Company for a period of 5 years with effect from 5th September, 1997 on the terms and remuneration setout herein below and on the other terms and conditions as contained in the draft agreement, to be entered into between the Company and Mr. Anil T. Patel, as placed before the meeting and initialled for the sake of identification by the Company Secretary which, inter alia, provides as under :

- 1) 5 % of the annual net profit subject to maximum of 10 % of net profit to all the Managing / Wholetime Directors of the Company.
- 2) In the event of absence or inadequacy of profits, Mr. Anil T. Patel shall be entitled to the following remuneration and perquisites subject to an overall ceiling of Rs. 72,000/- per month or Rs. 8,64,000/- per annum in the manner as may be decided by the Board of Directors of the Company in accordance with the guidelines provided in Schedule XIII of the Companies Act, 1956. However, the remuneration to the Managing Director, unless otherwise decided by the Board shall be paid as under :

i) Salary : Rs. 40,000/- (Rupees Forty Thousand Only) per month.

ii) In addition to the salary, he shall be entitled to the perquisites listed in category-A, B & C below.

CATEGORY-A :

- a) Housing : The expenditure by the Company on hiring furnished accommodation for the Managing Director will be subject to a ceiling of 60 % of the salary over and above 10 % payable by the Managing Director.

In case the accommodation is owned by the Company, 10 % of the salary of the Managing Director shall be deducted by the Company.

In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to ceiling laid down above.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10 % of the salary of the Managing Director.

- b) Medical Reimbursement : Expenses incurred for the Managing Director and the family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

- c) Leave Travel Concession : For the Managing Director and his family once in a year in accordance with the Rules specified by the Company.

- d) Club Fees : Fees of Clubs subject to a maximum of two clubs, excluding admission and life membership fees.

- e) Personal Accident Insurance : Premium not to exceed Rs. 4,000/- per annum.

Explanation : For the purpose of category-A, family means the spouse, the dependent children and dependent parents of the Managing Director.

CATEGORY-B :

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act. Gratuity payable shall not exceed half a month's salary for each completed year of service.

- b) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

GUJARAT APOLLO EQUIPMENTS LIMITED**CATEGORY-C :**

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

In case the Company has no profits or profits are inadequate in any financial year during the terms of office, the Managing Director shall be entitled to receive the above salary and perquisites as minimum remuneration.

- 3) The Company will reimburse to the Managing Director such expenses as he may incur on behalf of the Company.
- 4) The Managing Director will be entitled to the earned privilege leave on full pay and allowance as per the rules of the Company not exceeding one month leave for every eleven months of service.
- 5) The Managing Director shall not be liable to retire by rotation.
- 6) The Managing Director will not be entitled to receive any sitting fee for attending the meetings of the Board of Directors or committee thereof from the date of his appointment."

"Resolved further that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

By Order of the Board
of Directors

Place : Ahmedabad
Dated : 20th June, 1997

Suresh Shah
Company Secretary

4. Dividend, if declared, shall be paid to those members whose names are on register of members as on the date of the Annual General Meeting of the Company.
5. Members are requested to notify immediately the change in address, if any, to the Company.
6. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.

EXPLANATORY STATEMENT

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

Item No. 6 :

Shri Anil T. Patel had been appointed as the Managing Director of the Company with effect from 5th September, 1992 for a period of 5 years. The Company registered an excellent progress under his effective leadership and able guidance. The Board of Directors at its meeting held on 20th June, 1997 had passed a resolution reappointing Shri Anil T. Patel as the Managing Director of the Company for a further period of 5 years at a remuneration as set-out in the draft agreement and stated in the resolution aforesaid.

Your Directors recommend the resolution for your approval.

A copy of the draft agreement to be entered into detailing the terms and conditions of his reappointment is available for inspection at the Registered Office of the Company during normal business hours on any working day upto the date of the meeting.

The text of the resolution may be deemed as abstract of the terms and conditions of appointment of Shri Anil T. Patel under Section 302 (2) of the Companies Act, 1956 as the Managing Director of the Company.

None of the Directors except Shri Anil T. Patel himself and Shri Ashok T. Patel and Shri Asit A. Patel being related to him, is concerned or interested directly or indirectly in the above resolution.

By Order of the Board
of Directors

Place : Ahmedabad
Dated : 20th June, 1997

Suresh Shah
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A proxy in order to be effective should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting.

2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed.
3. The Register of members and the Share transfer books of the Company shall remain closed from 6th September, 1997 to 26th September, 1997 (both days inclusive).

GUJARAT APOLLO EQUIPMENTS LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have great pleasure in presenting herewith their Tenth Annual Report for the year ended 31st March, 1997.

Financial Performance

	(Rupees in Lacs)	
	Current year as at 31-3-97	Previous year as at 31-3-96
SALES AND OTHER INCOME	2836.69	2158.30
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES	536.14	394.12
LESS : INTEREST	48.74	19.60
DEPRECIATION	33.58	25.02
PROVISION FOR TAXATION	135.00	100.00
NET PROFIT	318.82	249.50
ADD : PROFIT & LOSS ACCOUNT	59.62	22.13
BALANCE BROUGHT FORWARD		
AMOUNT AVAILABLE FOR PROPOSED APPROPRIATIONS	378.44	271.63
DIVIDEND	126.00	112.00
TRANSFER TO GENERAL RESERVE	200.00	100.00
PROVISION FOR TAX ON DIVIDEND	12.60	NIL
BALANCE CARRIED TO BALANCE-SHEET	39.84	59.63

DIVIDEND :

Your Directors are pleased to recommend payment of dividend for the year ended 31st March, 1997 at the rate of 36 % absorbing a sum of Rs. 126 lacs, as against 32 % (Subject to deduction of tax at source) for the previous year.

OPERATIONS :

During the year under review, the total turnover has increased from Rs. 2158.30 lacs to Rs. 2836.69 lacs registering an increase of 31.71 % over the previous year. After providing for Depreciation and Income Tax, the Company has earned a Net Profit of Rs. 318.82 lacs against Rs. 249.50 lacs in the previous year registering a growth of 27.78 %.

The Company's product like the Drum Mix Asphalt Plants, Hydrostatic Sensor and Mechanical paver Finishers continued to enjoy the support from the customers. The orders on hand for the various types of equipment is manifestation of the customer's confidence on the quality of the Company's product.

ROAD CONSTRUCTION DIVISION :

During the year, this division successfully carried out the contractual obligation in the road projects for Haryana and Ahmedabad Municipal Corporation. The division has received an order for Road Construction worth Rs. 300 lacs at Godhara in Panchmahal District. Encouraged by the results, this division is now poised to enter areas of construction of Highways, Super Highways and Express ways.

FUTURE PLANS :

In the current year, your Company has entered into a technical tie-up to manufacture the latest version of Atlas Front End Wheeled Loaders in India. The first indigenous wheeled loader

shall be rolling out in November, 1997.

A Joint Venture with Famaro-Ermont – Europe's major player in the field of Asphalt Plants and other asphalt related equipment is in the advanced stage of finalisation and the Joint Venture Agreement shall be signed by July, 1997.

The construction division has initiated dialogues with some of the world's leading construction companies for a Joint Venture and/or strategic alliance.

DEPOSITS :

The Company has accepted deposits from public and has complied with the provisions of Section 58 A of the Companies Act, 1956 and rules made thereunder.

DIRECTORS :

Mr. V. P. Kamdar and Mr. Ashok T. Patel, the Directors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. You are requested to reappoint them.

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

The particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures 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 had been very cordial. The details of the employees who are in receipt of remuneration exceeding Rs. 3,00,000/- per annum or Rs. 25,000/- per month, as the case may be, being the limits specified under the Rules pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 are as per Annexure-'B' which forms part of this Report.

AUDITORS :

M/s. Arvind A. Thakkar & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. You are requested to reappoint the Auditors and fix their remuneration.

ACKNOWLEDGEMENT :

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

For and on behalf of the Board

Place : Ahmedabad
Dated : 20th June, 1997

Anil T. Patel
Chairman & Managing Director