

**Apollo®**



**25<sup>th</sup> Annual Report**  
**2011-2012**



# **Gujarat Apollo Industries Limited**

*One Source, Unlimited Possibilities*

## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

CS NEHA CHIKANI SHAH

## STATUTORY AUDITORS

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

## BANKERS

STATE BANK OF INDIA

## REGISTERED OFFICE

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

## CORPORATE OFFICE

“Apollo House”,  
Near Mithakhali Six Roads,  
Navrangpura,  
Ahmedabad - 380 009.

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**NOTICE**

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

**ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Dr. N. T. Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Dr. N. V. Vasani, a director liable to retire by rotation, who does not seek re-election, be not re-appointed as a Director of the Company.  
RESOLVED FURTHER THAT the vacancy, so created, be filled by the Board of Directors of the Company."
5. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

6. To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:  
"RESOLVED that Mr. Rupesh P. Mehta, who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 20, 2011 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company whose term of appointment will be liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

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

Salary (₹/Month):

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

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

- a) Re-imbursement of Medical expenditure

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

- b) Club Fees

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

- c) Leave Travel Assistance/Encashment

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

- e) Personal accident insurance

As per rules of the Company

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

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

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

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

Salary (₹ / Month):

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

Commission:

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

Perquisites:

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

- a) Medical Reimbursement

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

- b) Leave Travel Assistance

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

- c) Club Fees

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

- d) Personal accident insurance

As per rules of the Company

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

As per Rules of the Company

- f) Gratuity

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

## GUJARAT APOLLO INDUSTRIES LIMITED

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g) Car/Telephone/Electricity

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

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

Others:

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

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

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

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

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

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

By order of the Board of Directors

Place: Ditasan, Mehsana  
Dated: 11<sup>th</sup> August, 2012

Neha Chikani Shah  
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLE INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of special business under item No. 6 to 10 is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement, of the person seeking appointment/re-appointment as directors under item No. 3, 4 and 6 of the notice is also annexed hereto.
3. The Register of Members and Share Transfer Book of the Company will remain closed from 19<sup>th</sup> September, 2012 to 26<sup>th</sup> September, 2012.
4. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the dividends declared for the Financial Year ended 2005, which remains unpaid or unclaimed for a period of seven years to the Investors Education and Protection Fund. It may be noted that no claims will lie against the Company or the Investors Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the Fund. The members who have not claimed their dividend for the financial year ended 31<sup>st</sup> March, 2005 and onwards are requested to lodge their claim with the Company. Company in terms of requirement of Ministry of Corporate Affairs (MCA) would upload the name of the shareholders on the web site of Company and that of MCA ([www.mca.gov.in](http://www.mca.gov.in))
5. Members are requested to notify immediately the change in address, if any, to the Company or to the Registrar and Transfer Agents (R&TA).
6. The Shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.
8. Details of the Directors seeking Appointment/Re-Appointment at the Annual General Meeting:

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

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

### Item No. 6

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

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

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

## GUJARAT APOLLO INDUSTRIES LIMITED

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

### Item No. 7 and 8

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

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

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

### Item No. 9 and 10

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

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

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

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

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

By order of the Board of Directors

Place: Ditasan, Mehsana  
Dated: 11<sup>th</sup> August, 2012

Neha Chikani Shah  
Company Secretary

## DIRECTORS' REPORT

Dear Members,

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

### FINANCIAL PERFORMANCE

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

### OPERATIONAL REVIEW

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

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

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

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2.50 per share on Equity Shares of the Company amounting to ₹ 414.37 Lacs on 1,65,75,000 Equity shares of the Company. The dividend will be payable to the members, whose names appear on the register of members on 18<sup>th</sup> September, 2012.

### DEPOSITS

During the year under review, the Company has accepted/ renewed deposit from public/ shareholders within the provisions of Section 58A of the Companies Act, 1956 as amended and rules made there under. The company has complied with the provisions of the relevant Rules. There is no overdue deposit as on 31<sup>st</sup> March, 2012, except for 86 matured but unclaimed deposits amounting to ₹ 25.75 Lacs.

### CONSOLIDATED ACCOUNTS

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

### SUBSIDIARY COMPANIES

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



## GUJARAT APOLLO INDUSTRIES LIMITED

### RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act") and based on the representations received from the operating management, the Directors hereby confirm:

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

### DIRECTORS

During the period under review Mr. Rupesh P. Mehta was appointed as an additional director of the Company on 20<sup>th</sup> October, 2011.

During the period Mr. R. C. Gosain resigned as a Director of the Company which was accepted by the members at its 24<sup>th</sup> AGM held on 21-09-2011.

On 10-08-2012, Mr. Ajitkumar T. Patel, Whole-Time Director resigned as a Director of the Company. The Board of Directors accepted the same in their Board Meeting held on 11-08-2012.

At the ensuing Annual General Meeting Dr. N. T. Patel and Dr. N.V. Vasani who retires by rotation and being eligible offers themselves for re-appointment.

However, Dr. N. V. Vasani, has conveyed his decision not to offer himself for re-appointment due to his ill health. The Board of Directors will fill the vacancy caused by retirement of Dr. N. V. Vasani.

The members of the Board expressed their sincere gratitude for the valuable contribution rendered by all retiring Directors towards the performance of the Company.

### 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 re-appointment as Auditors 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.

### COMMENTS ON AUDITORS' REPORT:

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

### COST AUDITORS:

M/s. P. D. Modh & Associates, Cost Accountants, Ahmedabad have been appointed as a Cost Auditors' of the Company for the financial year 2012-2013.

### ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the continuous support and co-operation received from the Business Associates including vendors, customers and Banks and 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 : 11<sup>th</sup> August, 2012

<b>Asit A. Patel</b>	<b>Anil T. Patel</b>
<i>Managing</i>	<i>Director</i>
<i>Director</i>	<i>Director</i>

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

**(A) CONSERVATION OF ENERGY:**

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

**(B) TECHNOLOGY ABSORPTION :**

**1. Research & Development (R & D)**

The Company is not having an independent Research & Development unit registered with the Government of India. However, product

developmental activities continue to get utmost priority in the field of process technology, improvement in quality, import substitution etc., through the quality assurance department.

**Benefits derived as a result of above R & D**

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

**2. Technology Absorption and Innovation**

Particulars of technology imported during the past 5 years:

- A. (1) **Technology Imported :**
- (i) Vibratory Compactor
  - (ii) Year of Import: 2007
  - (iii) Has the technology been absorbed:  
Technology has been partially absorbed.
  - (iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of actions.  
Technology for the other models is under development and absorption.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Total Foreign Exchange used and earned are as follows:

Earnings in Foreign Exchange (on accrual basis)

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