APOLLO

GUJARAT APOLLO INDUSTRIES LIMITED

"Parishram", Cellar, 5-B, Rashmi Society, Near Mithakhali Circle, Navrangpura, Ahmedabad - 380 009. Gujarat, India
Tel. +91-79-2644 4597/98, 2656 4705 • www.apollo.co.in

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE BOARD MEETING OF GUJARAT APOLLO INDUSTRIES LIMITED HELD ON THURSDAY, NOVEMBER 05, 2015 AT "PARISHRAM", 5-B, RASHMI SOCIETY, NEAR MITHAKHALI SIX ROADS, NAVRANGPURA, AHMEDABAD – 380 009 AT 3.30 P.M

During the financial year 2013 - 14, the Company executed a Business Transfer Agreement for the strategic joint venture with Switzerland based Ammann Group. As per that joint venture, the Company and its wholly owned subsidiary, Apollo Earthmovers Limited transferred the entire product portfolio of asphalt plants and paver business (excluding crushing and screening business) on April 10, 2013 to Ammann Apollo India Private Limited on slump sale basis. This joint venture resulted in substantial cash surplus of more than Rs. 100 Crore for the Company, leading to a very favourable liquidity position.

As on March 31, 2015, the Company still had a liquid investment in mutual funds of more than 90 Crore (having aggregate market value of more than Rs. 105 Crore) and Cash and Bank balance of more than Rs. 16 Crore.

Presently, the Company does not have any plan in near future for major capital investment or expansion or business acquisition. These facts when reviewed against the management's overall objective of maximization of shareholders wealth, has lead the management to consider buyback of the Equity Shares of the Company as an effective way of utilizing the liquid surplus being more than what is needed for its regular business operations.

The buyback is proposed out of the Company's accumulated free reserves. The buyback is expected to:

- reduce outstanding number of equity shares and consequently increase Earnings Per Share over a period of time;
- effectively utilize surplus cash; and
- make the Balance Sheet leaner and more efficient to improve key return ratios like Return on Net Worth, Return on Assets etc.

The Board of Directors, further, took into consideration various factors, including but not limited to, the book value of Equity Share, post buyback financial ratios, market value, liquidity position, possible impact of the buyback on the Company's post buyback capital and earnings per share.

Ms. Neha Chikani Shah, Company Secretary informed the Board of Directors that Mr. Anil T. Patel, Mr. Anand A. Patel, Mr. Asit A. Patel, Mr Manibhai V. Patel and Mrs. Nayna A. Patel, all being part of the Promoter Group will not participate in voting for the proposed Buyback in their capacity as Directors of the Company. The Board of Directors noted that post completion of the proposed Buyback, the voting rights of Promoters and Promoter Group may increase by more than 5% in a financial year. Promoters and Promoter Group shareholders are already having control over the Company and any such further increase in voting rights will not result

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in any change in control by Promoters and Promoter Group shareholders over the Company. In terms of Regulation 10(4)(c) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Promoters and Promoter Group are exempt from an obligation to make an open offer despite the increase in voting rights of the Promoters and Promoter Group by more than 5% in a financial year, if certain conditions are fulfilled. Moreover, such increase in voting rights of Promoters and Promoter Group will be consequential and indirect in nature and their shareholding post Buyback offer shall be within the maximum permissible limit of 75% for non public shareholding in the Company as prescribed under the Listing Agreements entered into with the BSE Limited and National Stock Exchange of India Limited read with the Securities Contracts (Regulations) Rules, 1957.

Accordingly, the Board of Directors discussed the proposal for the buyback and thereafter:

"RESOLVED THAT pursuant to the authority vested by Article 13A of the Articles of Association of the Company, provisions of sections 68, 69 and 70 and all other applicable provisions of the Companies Act 2013 ("**Act**") and in compliance of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ("**Buyback Regulations**") and such other approvals, permissions and sanctions as may be necessary, consent of the Board of Directors be and is hereby accorded to buyback of upto 15,00,000 fully paid-up equity shares of Rs. 10 each of the Company (**"Equity Shares"**) at a price of upto Rs. 150 per Equity Share (**"Maximum Buyback Price"**) for an aggregate amount not exceeding Rs. 22,50,00,000 (Rupees Twenty Two Crore Fifty Lac Only) **("Maximum Buyback Size")** payable in cash and that an amount of Rs. 11,25,00,000 (Rupees Eleven Crore Twenty Five Lac only) being 50% of the Maximum Buyback Size is determined to be the minimum buyback size ("**Minimum Buyback Size**") ("**Buyback**").

RESOLVED FURTHER that such Buyback of upto 15,00,000 Equity Shares will be about 9.90% of the outstanding Equity Shares of the Company and the Maximum Buyback Size will not exceed 10% of the paid-up share capital and free reserves of the Company as per the latest audited financial as at March 31, 2015, as is permissible under the Act.

RESOLVED FURTHER that such Buyback shall be made out of the Company's accumulated free reserves and should be done through the methodology of open market purchases through stock exchanges in accordance with the provisions of the Buyback Regulations and Listing Agreement entered with the BSE Limited and National Stock Exchange of India Limited.

RESOLVED FURTHER that the Board of Directors do hereby take on record the unaudited financial position of Assets and Liabilities and statement of Assets and Liabilities of the Company as on September 30, 2015 for the purpose of Declaration of Solvency to be filed with the Registrar of Companies under the applicable provisions of the Act and in terms of the Buyback Regulations.

RESOLVED FURTHER that the draft of the Declaration of Solvency prepared in the prescribed format placed before the Board of Directors be and is hereby approved.

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RESOLVED FURTHER that confirmation is hereby made by the Board of Directors that all Equity Shares of the Company are fully paid up and there are no defaults subsisting in the repayment of any Deposits, redemption of debentures or Preference Shares or repayment of term loans to any financial institutions or banks or any party and the debt equity ratio of the Company after the proposed Buyback will be well within the limit of 2:1 as prescribed under the Act.

RESOLVED FURTHER that the Board of Directors approves the appointment of PL Capital Markets Pvt. Ltd. as the Manager to the Buyback Offer in terms of the Buyback Regulations.

RESOLVED FURTHER that Mr. Asit A. Patel, Managing Director, Mr. Anand A. Patel, Director, Mr. Anilkumar T. Patel and Mr. Navinchandra V. Shah, Directors of the Company be and are hereby authorized to make changes in the Declaration of Solvency as may be necessary, to sign and to file the same with the Registrar of Companies and with the Securities and Exchange Board of India.

RESOLVED FURTHER that the powers of the Board of Directors in respect of the Buyback be delegated to a committee ("**Buyback Committee**") consisting of two Directors of the Company namely Mr. Anilkumar T. Patel, Director and Mr. Navinchandra V. Shah, Director.

RESOLVED FURTHER that the Buyback Committee is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to finalizing the terms of the Buyback, the specific price for the Buyback, the actual number of Equity Shares to be bought back, mechanism for the Buyback, opening of Escrow Bank Account and Special Demat Account, authorizing the persons to operate the said accounts, appointment of other intermediaries or agencies for the implementation of the Buyback and sign and execute the incidental documentation as also to prefer applications to the appropriate authorities for their requisite approvals and to initiate all necessary actions for preparation and issue of various documents including but not limited to Public Announcement, Declaration of Solvency, Corporate Actions with Depositories, extinguishment of Share Certificates and Certificates of extinguishment required to be filed with the appropriate authorities in connection with the Buyback on behalf of Board of Directors.

RESOLVED FURTHER that the Company Secretary, Ms. Neha Chikani Shah, be and is hereby nominated as the Compliance Officer for compliance of the Buyback Regulations and to redress the grievances, if any, of the investors."

For **GUJARAT APOLLO INDUSTRIES LIMITED**

NEHA CHIKANI SHAH
COMPANY SECRETARY & COMPLIANCE OFFICER