

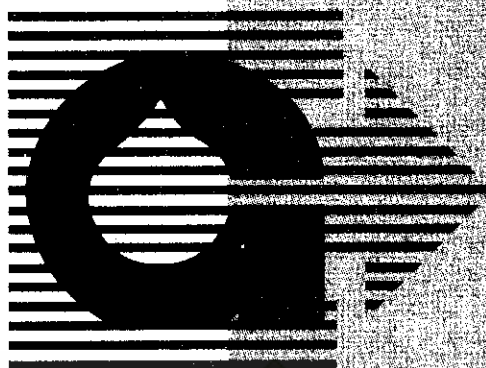
**Gujarat Ambuja Proteins Ltd
&**

Gujarat Ambuja Cotspin Ltd

(Also Known as Ambuja Foods Ltd & Gujarat Ambuja Steel Ltd)

Amalgamated with

Gujarat Ambuja Exports Ltd



Report

PLEASE SEE INSIDE FOR:

- 1. Procedure of Exchange of shares of GAPL/AFL/GASL/GACL with
GAEL on page no. 1**
- 2. Odd lot disposal scheme & form (optional scheme)
on page no. 2&3**

**8th Annual Report
1998 - 99**

Gujarat Ambuja Exports Ltd.



Gujarat Ambuja Exports Limited

ANNUAL REPORT 1998-99

REGISTERED OFFICE : "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad - 380 014

8TH ANNUAL REPORT

BOARD OF DIRECTORS

Shri Vijay Kumar Gupta, Chairman & Managing Director
Shri Manishkumar Gupta, Managing Director
Shri P. G. Makhija, Executive Director
Smt. Sulochana Gupta
Shri Sandeep Agarwal
Shri Jagdish Sharan Varshneya

COMPANY SECRETARY

Shri Sanjay S. Maniar

AUDITORS

M/s. Kantilal Patel & Co.,
Chartered Accountants, Ahmedabad.

BANKERS

Bank of India
Punjab National Bank

SHARE TRANSFER AGENT

Jay Vijay Corporate Financial Services Ltd.
"Ambuja Tower", Opp. Memnagar Fire Station,
Navrangpura, P.O. Navjivan, Ahmedabad - 380 014.

SUBSIDIARIES

1. Gujarat Ambuja International Pte. Ltd.
2. Gujarat Ambuja Soya Products Ltd.

PLANTS

- | | | |
|--|---|---|
| 1. 100% EOU Cotton Spinning Division :
Vil. Dalpur, Dist. Sabarkantha | 4. 100% EOU Solvent Extraction Unit - II
Kadi, Dist. Mehsana | 7. Solvent Extraction Unit - V
Jaipur, Rajasthan |
| 2. Bio-Chemical Division :
Vil. Dalpur, Dist. Sabarkantha | 5. Solvent Extraction Unit - III
Kadi, Dist. Mehsana | 8. Solvent Extraction & Vanaspati
Ghee Unit, Kadi, Dist. Mehsana |
| 3. 100% EOU Solvent Extraction Unit - I
Nani Kadi, Dist. Mehsana | 6. Solvent Extraction Unit - IV
Pithampur, Dist. Dhar (M.P.) | 9. Wheat Processing Unit
Kadi, North Gujarat |

SCHEDULE OF ANNUAL GENERAL MEETING

Day : Tuesday
Date : 7th December, 1999
Time : 11.30 a.m.
Venue : Dinesh Hall,
Nr. Income Tax Circle, Ashram Road,
Ahmedabad - 380 009.

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FOR ATTENTION OF ALL MEMBERS

1. Members who have not yet encashed their dividend warrant for the year ended on 31st March, 1998 are requested to encash the same at the earliest as the validity period of warrant will expire on 9th November, 1999.
2. Members holding shares of the Company under more than one Ledger Folio are requested to send to the Company details of all such folios together with the share certificates for consolidating the folios into one. The said formalities will help the members to get shares in marketable lot.
3. Members are requested to quote their New Folio number in GAEL in all their future correspondence.
4. *At the time of intimating change of address members are requested to state their all folio numbers to get records of the Company updated for all folios.
5. Members are requested to note the Security code of the Company (GAEL) and other group Company namely Gujarat Veda Pharma Ltd. (GVPL) at different stock exchanges where the shares are listed.

Name of Stock Exchange	GAEL	GVPL
The Stock Exchange, Ahmedabad	20230	22850
The Stock Exchange, Mumbai	24226	24099
The Delhi Stock Exchange	6247	5706
The Jaipur Stock Exchange	GUJARAT AMBUJA	NOT
	EXPORTS LIMITED	LISTED
6. In the case of deletion/transmission due to death of one of the holder or all holders, as the case may be, members are requested to complete the formalities at the earliest so as to update the records of the Company

FOR ATTENTION OF MEMBERS OF ERSTWHILE GUJARAT AMBUJA COTSPIN LTD. (GACL) AND GUJARAT AMBUJA PROTEINS LIMITED (GAPL) (HEREINAFTER ALSO REFERRED AS AMALGAMATING COMPANIES)

A. FOR EXCHANGE OF SHARE CERTIFICATES OF GUJARAT AMBUJA EXPORTS LTD (GAEL) AGAINST SHARES OF AMALGAMATING COMPANIES :

1. Members are requested to note that across the counter facility for exchange of shares at 12 centres has been closed from 31st August, 1999.
2. Exchange ratio approved in the Scheme of Amalgamation: for every 4 Equity Shares of GACL = 1 Equity share of GAEL for every 5 Equity Shares of GAPL = 1 Equity Share of GAEL.
3. Members who have not yet exchanged their share certificates of Amalgamating Companies are requested to send their holding as per our intimation dated 30.4.99 to the Registered Office of the Company to get the shares of GAEL in exchange.
4. Members are further requested to note that against the shares surrendered by them proportionate shares of GAEL will be issued.
5. Members are also requested to send share certificates in the name of Ambuja Foods Ltd. and/or Gujarat Ambuja Steel Ltd. as the name of the Company was changed to Gujarat Ambuja Cotton Ltd. in case of GAPL also send Part-B of the debenture certificates for which shares in exchange have not yet been claimed.



Gujarat Ambuja Exports Limited

6. Members are also requested to note that tentative data of shares exchanged of Amalgamating Companies against the shares of Amalgamated Company is as under:

Particulars	No. of Folios	No. of shares of GAEL
From Centres (Appointed for Exchange):-	63004	3775335
From the Company	33243	3326202
Total	96247	7101537

- B. SCHEME FOR DISPOSAL OF ODD LOT EQUITY SHARES Consequent to amalgamation of Gujarat Ambuja Cotspin Ltd.(GACL) and Gujarat Ambuja Proteins Ltd. (GAPL) with the Gujarat Ambuja Exports Ltd. (GAEL) and issue of GAEL Shares to the Shareholders of GACL & GAPL in the ratio of 4:1 and 5:1 respectively Shareholders may receive odd lot Shares of GAEL. Shareholders holding such odd lot Shares may experience difficulty in selling their odd lot Shares in the Stock Market. Therefore odd-lot disposal Scheme is being announced for the benefit of such Shareholders. This Scheme is restricted to Resident Indian Shareholders only**

The Salient features of Scheme are as under :-

1. This is not an invitation but a facility being extended only to the Shareholders of erstwhile GACL & GAPL to help them to dispose off their odd lot Shares and is absolutely optional. You are free to avail any other offer that may be available.
2. This offer is only for purchase of odd lot Shares not exceeding 99 Equity Shares of GAEL from Resident Indian Shareholders, having a clear and unencumbered title to the Shares. No request from Shareholders/Public to sell to them such odd lot Shares will be entertained.
3. Shareholders whose holding is more than 100 Shares but some Shares are odd lot Shares, can offer their balance Shares which are not in multiples of 100 for disposal under this Scheme.
4. The Company has appointed Mr. Kaushik C. Khona and Mr. Sanjay Maniar, C/o Gujarat Ambuja Exports Ltd., "Ambuja Tower", Opp. Memnagar Fire Station, P.O. Navjivan, Navrangpura, Ahmedabad-380 014 as the Trustees for this purpose.
5. The odd lot holders who are interested in disposing their odd lot Shares are required to lodge the enclosed application form duly signed by all the Shareholders including all joint holders alongwith valid and duly executed Transfer Deed(s) duly signed by the Transferor(s) including joint holders and duly witnessed alongwith relevant Share Certificates of GAEL (only). Please ensure that the Transfer Deed(s) is also completed for undermentioned details of Transferees: prior to submission/mailling.
Name of Transferees: 1. Shri Kaushik C. Khona Ood.:Service
2. Shri Sanjay S. Maniar
Address : C/o Gujarat Ambuja Exports Ltd., "Ambuja Tower", Opp. Memnagar Fire Station, P.O. Navjivan, Navrangpura, Ahmedabad-380014.
Transfer Deed(s) can also be collected from Registered Office or shall be sent by post on request. Please note that the Transfer Deed is valid for one year from the date of presentation stamp on the top of the Transfer Deed. The signatures of the transferor(s) shall be as per the specimen signature recorded with the Company.
In the event of the signature not tallying, the application shall

stand rejected.

The above documents can be lodged in person on any working day at the Registered Office of the Company or sent by Registered Post.

6. The documents should be completed in all respects, failing which the documents will be returned to the odd lot holders under objection. Separate documents should be executed for each Registered Folio.
7. The odd lot Shares received from the Shareholders will first be consolidated (in market lots) in the name of the Trustees on a first come, first served basis and then sold in the open market by the Trustees at the market price through recognised broker(s). On receipt of the net amount from the broker(s), the net amount will be distributed to the odd lot holders, without deducting any administrative charges, in sequence of the date of lodgement of Shares. As a shareholder welfare measure, the Company would absorb all expenses, incurred in connection with the administration of the Scheme. The disposal of Shares by the Trustees will be in such quantum as may be decided by the Trustees from time to time. The decision of the Trustees with regard to the mode and quantum of disposal shall be final and binding on all the applicants tendering Shares under this Scheme.
8. The amount payable would be remitted in normal course within 3 months of the receipt of the valid set of documents. However, the above period would get extended, in case of any disruption in the Stock Market operations or inability to carry out transactions or due to any other reason beyond the control of the Trustees.
9. The amount payable will be sent to the first named Shareholder and by an Account payee Cheques/Bank Draft made in the name of the first named Shareholder and in the sequence of dates of lodgement of Shares. The Charges for the Bank Draft will be born by the Company.
10. Neither GAEL nor the Trustees will be liable for any loss in transit of any documents/cheques/drafts. Any loss on account of the fluctuations in the market rate during the period of sale/ transit will not be liability of either GAEL or the Trustees. GAEL and the Trustees have sole discretion to accept or reject any application without assigning any reasons.
11. The price, at which the Shares are sold shall not be disputed by any Shareholder at a later date. Shareholders are not permitted to revoke the offer after submitting the documents to the GAEL or Trustees, as aforesaid.
12. Shares under court attachments, litigations, disputed ownership Shares of notified persons and Shares in the name of Non-residents are excluded from the purview of the Scheme and the GAEL or Trustees shall reject any such application.
13. The Scheme is open upto 31/12/99. However, GAEL or Trustees reserve the right to withdraw, suspend or extend the Scheme for any period at any time without assigning any reasons for the same and without any intimation to the Shareholders. However, whenever GAEL announce Book Closure/Record Date for the purpose of dividends, rights, bonus etc. the Scheme will be temporarily suspended during the Book Closure/Record Date period. The Scheme may also be temporarily suspended at any time at the discretion of the Trustees.
14. The decision of the Trustees on all matters relating to the sale of these Shares will be final and binding on the Shareholders who wish to take advantage of the aforesaid Scheme.
15. In the event any claim is subsequently made against the Trustees and/or GAEL in respect of any odd lot Shares offered for disposal under this Scheme, the applicant shareholder(s) shall be liable for all costs, damages, losses and consequences as may be incurred by the Trustees and shall keep the Trustees and/or GAEL fully indemnified in that regard.
The Stock Exchange at Ahmedabad, Mumbai, Delhi and Jaipur have been intimated of the aforesaid Scheme.



Gujarat Ambuja Exports Limited

APPLICATION FORM FOR DISPOSAL OF ODD LOT EQUITY SHARES FROM RESIDENT INDIAN SHAREHOLDERS PLEASE READ THE SCHEME AND FILL IN SEPARATE FORM FOR EACH FOLIO

From _____

Date: _____

To,
The Trustees,
C/o Gujarat Ambuja Exports Ltd.,
"Ambuja Tower", Opp. Memnagar Fire Station,
P.O. Navjivan, Navrangpura, Ahmedabad-380 014

Dear Sirs,

Re : SCHEME FOR DISPOSAL OF ODD LOT EQUITY SHARES OF GUJARAT AMBUJA EXPORTS LIMITED

I/We have read the letter from Gujarat Ambuja Exports Ltd. regarding Scheme for disposal of Odd Lot Equity Shares and hereby submit my/our application for the same. I/We have read and understood the terms and conditions of the Odd Lot Scheme and I/We agree to abide by the same.

I/We confirm that my/our acceptance will not be reversed/revoked by me/us.

The particulars of the Odd Lot Equity Shares of Gujarat Ambuja Exports Limited which I/We wish to dispose off is/are furnished herebelow.

I/We enclose herewith the following documents :

Regd. Folio No.	Certificates Nos.		Distinctive Nos.		No. of Shares
	From	To	From	To	
Total No. of Certificate/s enclosed :					

1. Transfer Deed duly completed and signed by all the Shareholders (as per specimen signature(s) registered with the Company) and duly witnessed.

2. _____ Share Certificates as listed above.

I/We have offered the above Shares of Gujarat Ambuja Exports Ltd. under "ODD LOT SCHEME".

I/We hereby authorise you, as Trustees, to sell odd lot Shares lodged by me/us after consolidation of these Shares with similar odd lots into marketable lots. I/We agree that your decision on all matters relating to sale of these Shares will be final and binding on me/us. In case of the fulfillment of the pre-requisites and your payment of the price of the aforesaid shares to me/us, as per the scheme, I/We agree and undertake unconditionally to indemnify you and shall keep you always indemnified at Ahmedabad from and against any claims, payments, costs, charges, expenses, losses, damages, compensations, actions, which you may be put or be involved or which you may pay/suffer/incur or sustain, consequent upon giving upon effect to the transfer of the said shares initiated against you by any person or on account of effecting the registration of the said Certificate, on the basis of the Transfer Deed, in your name in Register of Shareholders of Gujarat Ambuja Exports Ltd. and upon recognising such transfer in your favour. This indemnity shall ensure to your benefit and the benefit of your successors, assigns, and shall bind my/our successors/assigns.

You are requested to accept my/our application and arrange to send the sale proceeds by an Account Payee Cheque/Bank Draft to my/our address given above. Please also state my undermentioned Banker details on the Cheque/Demand Draft.

Name of the Bank	
Branch	
Account Number	
Account Type	

Thanking you.

Yours faithfully,

Name and Address of the First named Shareholder

Signature

1. _____

2. _____
3. _____

ACKNOWLEDGEMENT SLIP

L.Folio No. _____

Received from _____ an application for sale of _____ Equity Share(s) of Gujarat Ambuja Exports Ltd. togetherwith _____ Certificate(s) and Transfer Deed(s) under ODD LOT SCHEME.

Date of Receipt _____

(Signature and Rubber Stamp)



Gujarat Ambuja Exports Limited

Form 2B

Nomination Request Form

(To be filled in by individual applying singly or jointly if jointly, only upto two persons)

To,
Jayvijay Corporate Financial Services Ltd.
Unit : Gujarat Ambuja Exports Ltd.
"Ambuja Tower", Opp. Memnagar Fire Station,
P.O. Navjivan, Navrangpura, Ahmedabad-380 014.

From _____
L.F. No. _____
No. of Shares _____

I/We am/are holders (s) of Shares/Debentures/Securities of the Company as mentioned above. I/We nominate the following person (s) in whom all rights of transfer and/or amount payable in respect of Shares/Debentures/Securities shall vest in the event of my/our death.

Nominee's Name		Age	
To be furnished in case the nominee is a minor - Date of Birth			
Guardian's Name **			
Occupation of Nominee	1 Service	2 Business	3 Professional
Tick (-/)	5 Student	6 Farmer	7 Others
Nominee's Address			
Pin Code			
Telephone No.	Fax No.		
E-mail Address	STD Code		
Specimen Signature of Nominee/ Guardian (in case nominee is minor)			

** To be filled in case nominee is a minor.

Kindly take the aforesaid details on record.

Thanking you.

	Name of all the holder (s) (as appearing in the Certificates)	Signature as registered with the Company
Sole/1st holder		
2nd holder		
3rd holder		

SIGNATURE OF TWO WITNESSES

Name and Addresses of witnesses	Signature with date
1.	
2.	

Instructions :

- Please read the instructions given below very carefully and follow the same. If the form is not filled as per instructions, the same will be rejected.
- The Nomination can be made by individuals only applying/holding shares/ debentures on their own behalf singly or jointly upto two persons. Non individuals including society, trust, body corporate, partnership firm, karta of Hindu undivided family, holder of power of attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form.
- A minor can be nominated by a holder of shares/debentures/securities and in that event the name and address of the guardian shall be given by the holder.
- The nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu undivided family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis Subject to Approval of RBI.
- Only one person can be nominated for a given folio.
- Details of all holders in a folio need to be filled, else the request will be rejected.
- Nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
- Nomination stand rescinded upon transfer of share/debenture or repayment/renewal of deposits made.
- Transfer of share/debenture in favour of a nominee and repayment of amount of deposit to nominee shall be a valid discharge by a company against the legal heir.
- Upon receipt of a duly executed nomination form, the Registrar and Transfer Agent of the company will register the form and allot a registration number. This number and folio no. should be quoted by the nominee in all future correspondence.
- Nomination can be varied or cancelled by executing fresh nomination form.
- The Company will not entertain any claims other than those of a registered nominee, unless so directed by a court.

FOR OFFICE USE ONLY

Nomination Registration No.	
Date of Registration	
File No.	
Checked by and Signature of employee	



Gujarat Ambuja Exports Limited

Notice

Notice is hereby given that the 8th Annual General Meeting of Members of the GUJARAT AMBUJA EXPORTS LTD. will be held on Tuesday, the 7th day of December, 1999 at 11:30 A.M. at Dinesh Hall, Nr. Income-Tax Circle, Ashram Road, Ahmedabad - 380 009 to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1999, Profit & Loss Account for the year ended on that date, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Sulochana Gupta, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Shri Sandeepkumar Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

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

"RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the existing Articles of Association of the Company be and are hereby modified and altered to the extent and in the manner as hereinafter stated :

- I) In Article 2 containing definition, after interpretation of 'SEAL' following definition be added :

SWEAT EQUITY SHARES

Sweat Equity Shares means equity shares issued by the Company to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

- II) After Article 10 New Article 10A with heading as below mentioned be inserted.

10A Issue of Sweat Equity Shares

- (a) Notwithstanding anything contained in Section 79 of the Act, the Company may issue Sweat Equity Shares of a class of shares already issued if the following conditions are fulfilled, namely :

- i. the issue of Sweat Equity Shares is authorised by a Special Resolution passed by the Company in the General Meeting;
- ii. the Resolution specifying the number of shares, current market price, consideration, if any, and the class or classes of Director(s) or Employees to whom such Equity Shares are to be issued;
- iii. the Sweat Equity Shares of the Company are issued in accordance with the regulations made by the Securities and Exchange Board of India or any other authority under any other Act as may be applicable for the time being in force.

- (b) All the limitations, restrictions and provisions relating to the Equity Shares shall be applicable to such Sweat Equity Shares issued as in sub-clause (a) hereinabove.

- III) In Article 54 following para be inserted.

Notwithstanding anything contained hereinabove, when nomination has already been made in compliance with provisions of Section 109A and 109B of the Act or any statutory modifications thereto from time to time, Board may transfer the Shares in the name of nominee on death of all joint holders provided sufficient evidences are produced by the nominee

- IV) Insert the following heading and Article as Article 59A after Article 59.

59A Dematerialisation of Securities

- (1) Definitions

"Beneficial Owner" means a person or persons whose name is recorded as such with a Depository.

"SEBI" means the Securities and Exchange Board of India;

"Security" means such security as may be specified by the SEBI.

- (2) Dematerialisation of Securities.

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

- (3) Option for investor

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the names of the allottees as the Beneficial Owner of the Security.

- (5) Securities in Depositories to be in Fungible Form

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372 of the Companies Act, 1956 shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

- (6) Service of Documents

Notwithstanding anything contained in the Act or Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

- (7) Provisions of Articles to apply to shares held in Depository.

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

- (8) Allotment of Securities dealt with in a Depository.

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

- (9) Distinctive number of securities held in a Depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers on securities issued by the Company shall apply to securities held with a depository.

- (10) Register and index of Beneficial Owners

The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and index of Member and Security holders for the purpose of these Articles.

- VI) In the Heading of Article 49 (a) and in second line of the said Article word "four" be substituted by the word "three".

- VI) In Article 139 (1)(b) the words "Rs. 500/-" be substituted by words "such sum as may be prescribed under the Act, from time to time".

- VI) In Article 139 (2)(c) the words "Rs. 3,000/-" be substituted by words "such sum as may be prescribed under the Act, from time to time".

- VIII) In Article 161 and 161(1A) after word "372" word "372A" be incorporated

- IX) Existing Article 178 be renumbered as Article 178 (1) and after Article 178 (1) following Article 178 (2) with heading be inserted:

178 (2) Electronic Clearing System in case of dividend

Any dividend declared, may be paid by Electronic Clearing System through any Sponsor Bank, after getting registration with the Reserve Bank of India for using the facilities and collecting from the members necessary bank mandate in the prescribed format.

- X) In Article 185 after words "as the case may be to the Balance Sheet" word "or attached Balance Sheet" be inserted and at the end of said sentence the words "and as provided under any other Act or rules or regulations as may be prescribed from time to time" be inserted



Gujarat Ambuja Exports Limited

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter), Security Contracts (Regulations) Act, 1956, and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations guidelines and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approval permission and sanctions, which the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), be and is hereby authorised agree to if acceptable to the Board, the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from The Stock Exchange at Delhi and Jaipur."

Registered Office : By Order of the Board
 "Ambuja Tower",
 Opp. Memnagar Fire Station,
 Navrangpura, P.O. Navjivan,
 Ahmedabad - 380 014.
 Place : Ahmedabad **VIJAY KUMAR GUPTA**
 Dated : 30th September, 1999 *Chairman & Managing Director*

NOTES :

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) Register of Members and Share Transfer Books of the Company will remain closed from 1st December, 1999 to 7th December, 1999 (both days inclusive).
- c) Documents referred to in this notice and Certified copy of the Order of the High Court of Gujarat dated 17th December, 1998 approving the Scheme of Amalgamation of Gujarat Ambuja Corpn Ltd. and Gujarat Ambuja Proteins Ltd. with the Company are available for inspection to the members of the Company on all working days during 2.00 to 4.00 P.M. at the Registered Office of the Company upto the date of Annual General Meeting.
- d) Unclaimed dividend declared upto the year 1994-95 has already been transferred to the General Revenue Account of the Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Shareholders who have so far not claimed or collected dividend declared upto the aforesaid financial year may collect their dividend amount from Registrar of Companies, Gujarat, G.H.B. Complex, Opp. Rupal Park, Nr. Ankur Cross Road, Naranpura, Ahmedabad-380 013. In view of amended provisions of Section 205A of the Companies Act, 1956 dividend declared for the period from 1995-96 remained unclaimed or unpaid in the Unpaid Dividend Account of the Company for a period of Seven years is required to be transferred to fund created under that Section.
- e) In view of amended provisions of Section 109A and 109B in the Companies Act, 1956, members desirous of making nomination may make request to the Company in prescribed Form No. 2B as annexed with this Annual Report.
- f) For any query or clarification, members of Amalgamating Companies and of Amalgamated Company are requested to approach at the Registered Office or contact on Phone No. 079-6423316 to 20 (Attn. Mr. Sanjay Maniar)

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

The Companies Act, 1956 has been amended from time to time by issue of Ordinance and in order to incorporate the latest amendments of the Act it is necessary to alter the Articles of Association of the Company.

The proposed alteration in Articles of Association are in respect of Issue of Sweat Equity Shares (Item No. 5 (I & II) - Article 2 & 10A), Nomination for Shares (Item No. 5 (III), Dematerialisation of Shares (Item No. 5 (IV) - Article 59A), Joint holding by number of persons of Securities of the Company (Item No. 5 (V)-Article 69(a)), Appointment of persons referred to in Section 314 to hold office or place of profit (Item No. 5 (VI) Article 139(1)), Appointment of persons referred to in Section 314B to hold office or place of profit (Item No. 5 (VII) Article 139(2)), Inter Company Investments and Borrowings under Section 372A (Item No. 5 (VIII) Articles 161 & 161(19), Electronic Clearing System for payment of Dividend (Item No. 5 (IX) Article 178) Circulation of abridged Balance Sheet (Item No. 5(X) Article 185). The alteration in the Articles of Association will allow the Company to take the benefit of provisions of amended Companies Act. As per the provisions of Section 31 of the Companies Act, 1956, Special Resolution at Item No. 5 of the Notice is required to be passed to amend the existing Articles of Association and accordingly said resolution commend your approval.

A Copy of Articles of Association of the Company together with proposed alteration therein be available for inspection at the Registered Office of the Company during the business hours between 2.00 P.M. to 4.00 P.M. on all working days upto the date of Annual General Meeting.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

ITEM NO. 6

At present Equity Shares of the Company are listed on the following Stock Exchanges :

1. The Stock Exchange, Ahmedabad (Regional Stock Exchange)
2. The Stock Exchange, Mumbai
3. Delhi Stock Exchange Association Ltd.
4. The Jaipur Stock Exchange Ltd.

The volume of trading at the Stock Exchanges at Jaipur and Delhi negligible or almost a Nil since long. Considering the lower volume and order to save the controllable cost it is proposed to delist the Exchange Shares of the Company from the said Stock Exchanges.

Trading in Equity Shares of the Company through extensive networking of the Stock, Mumbai as well as further extension of its terminals to other cities will neither cause any difficulty nor it affect the liquidity.

The Bulk of trading in security of the Company are recorded at the Stock Exchanges at Mumbai and Ahmedabad.

Listing on the aforesaid two Stock Exchanges will satisfactorily cater to the need of investors of the Company.

As a part of its cost reduction measures, the Company has proposed this resolution, which will enable it to delist its Equity Shares from the Stock Exchanges at Jaipur and Delhi.

In accordance with the SEBI Regulations, members approval is being sought by a Special Resolution for enabling voluntary delisting of its Securities from the said Stock Exchanges.

The Company is also separately giving Special Notice of the proposed enabling resolution for the said delisting in one National Newspaper and one circulating in the region of the Stock Exchanges at Jaipur and Delhi. Your Directors recommend the Special Resolution for approval of the members.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

Registered Office : By Order of the Board
 "Ambuja Tower",
 Opp. Memnagar Fire Station
 Navrangpura, P.O. Navjivan
 Ahmedabad - 380 014

Place : Ahmedabad **VIJAY KUMAR GUPTA**
 Dated : 30th September, 1999 *Chairman & Managing Director*



Gujarat Ambuja Exports Limited

Directors' Report

To,
The Members,
Gujarat Ambuja Exports Limited.

Your Directors have pleasure in presenting their 8th Report together with the Audited Statements of accounts for the year ended 31st March, 1999.

As indicated in our earlier report, Gujarat Ambuja Cotspin Ltd. & Gujarat Ambuja Proteins Ltd. have been amalgamated with our Company with effect from 1st April, 1997 and the 7th Annual Report for the year ended 31st March, 1998 has incorporated the above effect of the amalgamation. The order of Hon'ble Gujarat High Court was received on 22nd December, 1998 and therefore the real effect of amalgamation and the benefits thereof could not be achieved in the year ended 31st March, 1999.

FINANCIAL RESULTS

The Summary of Financial Results is as under:

PARTICULARS	1998-99	1997-98
TOTAL TURNOVER	31550.19	37493.77
INCLUDING EXPORTS (F.O.B.)	16252.59	18692.21
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES	1024.32	2117.04
LESS: INTEREST	204.26	725.06
DEPRECIATION	864.98	830.40
PROVISION FOR TAXATION	NIL	NIL
PRIOR YEAR ADJUSTMENTS (CR)	NIL	8.87
NET PROFIT FOR THE YEAR	15.98	570.45
ADD: BALANCE OF THE PROFIT CARRIED FROM EARLIER YEAR	1622.17	765.06
ADD: BALANCE OF PROFIT OF AMALGAMATING COMPANIES	NIL	3412.97
LESS: INCOME TAX OF EARLIER YEARS	111.34	NIL
TOTAL PROFIT AVAILABLE FOR APPROPRIATION	1526.81	4778.48
APPROPRIATED AS UNDER		
1. PROPOSED DIVIDEND: NIL (P.Y. 6% per share)	NIL	142.10
ON ENHANCED CAPITAL		
2. DIVIDEND DISTRIBUTION TAX	NIL	14.21
3. TRANSFER TO RESERVES	NIL	3019.90
TOTAL APPROPRIATION	NIL	3196.31
NET BALANCE IN THE PROFIT & LOSS CARRIED TO BALANCE SHEET	1526.81	1582.17

DIVIDEND:

The Company has recently paid the dividend for the year 1997-98 in the month of May, 1999 to more than 300000 shareholders. The Company on an enlarged equity of Rs. 23.68 Crores.

The Directors wished to propose the dividend for the year 31st March, 1999, however, because of adverse condition, the company has not been able to achieve satisfactory results.

In spite of the drastic fall in the international price for Soya De-Oiled Cakes, the major constituent of the turnover & profit of the Company and also severe constraint of supply of essential raw materials of the Maize Based Starch Project, the Company has been able to report the profit of Rs. 15.98 Lakhs which itself is a noteworthy fact.

The Directors would like to highlight that because of the presence in different segments and different projects, the Company could offset the losses of Solvent Extraction Division, Maize Based Starch and other derivatives projects, against other profitable ventures.

The Directors regret for their inability to propose any dividend for this year owing to the adverse financial results.

The Directors request the shareholders to inform the Company if they have not yet got their dividend warrants for the year 1997-98 encashed.

PERFORMANCE REVIEW

The Turnover has been low during the year under consideration only because the Company did not engage in trading of items bought under use of Special Import License as done in the preceding year, where it contributed sales of Rs. 46.50 crores last year. Besides the Exports have been more on CIF basis this year as compared to FOB basis in the last year and due to drastic fall in International Prices of certain products the Turnover in value terms is low, but in quantity terms has improved.

Further, as the exports have been mainly on CIF basis, the Export Sales Expenses have increased as compared to last year. The change in pattern was necessitated to beat the competition. The other expenses have been quite under control.

The Company has following Divisions:

SOLVENT EXTRACTION DIVISION

The performance of this division which contributes normally 2/3rd of the total turnover was severely affected because of extremely low international price for Soya De-Oiled Cakes. In fact the division registered increase of nearly 10% in quantity terms in sales, however the fall of 32% in sales realisation has negative impact on the growth in value terms for the Solvent Extraction Division. The summarised position is as under:

	1997-98	1998-99	Increase
Sales (Soya DOC) M.T.	126321-	138247	+ 9.44%
Value (Rs. in crores)	128.43	96.02	NA
Average Realisation (P.M.T.)	10167	6945	-31.69%

COTTON SPINNING DIVISION

The performance of this division improved during the year under review and it could achieve a turnover of Rs. 74.85 Crores including exports of Rs. 64.20 crores. The Profit contributed by this division helped the Company to offset the loss incurred by the Solvent division.

The operational efficiency improved due to specific targets set for the all round improvement. The operating costs reduced by concentrating on better work allocation and energy saving manufacturing practices. Besides new markets were developed in addition to penetrating in the existing markets world wide. The Company expanded its clientele for exports of its Cotton Yarn to the countries in African and South American Continents.

The Denim division however did not perform well in view of the steep fall in the Sales realisation and world wide recession. The Company therefore suspended operations to cut down the costs. The operating results for the year therefore also got affected due to negative contribution from the Denim Division.

BIO CHEMICAL DIVISION

The performance of this division was satisfactory as regards the Turnover achieved. The division contributed for Turnover of Rs. 29 Crores including exports of Rs. 2.81 crores. However the profitability was not all that satisfactory. This has been because of one of the worst season experienced on account of shortage of Maize, due to unseasonal rains in October-November, 1998. The Maize prices sky rocketed to more than Rs. 6300 per ton as against normal cost of Rs. 4000 per ton. This together with short supply did contribute to a poor performance.

The high prices of Maize continued, however, the company has already imported two consignments of Maize which is more than 15% cheaper as compared to the Domestic Price. The effect of this import would be witnessed in the year 1999-2000.

FOODS DIVISION

This division had an average performance, mainly because of export restrictions in the beginning and then International Demand and price not being too conducive for the export of the Wheat Flour and other products.

SUBSIDIARY COMPANIES

The detailed statement of accounts of the two subsidiary companies, namely Gujarat Ambuja International Pte Limited, Singapore and Gujarat Ambuja Soya Products Limited are enclosed with this report as required. The falling international prices of Soya Deoiled cakes have also affected the performance of the Subsidiary at Singapore, which has reported a loss.

Gujarat Ambuja Soya Products Limited continued its Investments and franchising activities and has earned nominal profit.

TECHNOLOGICAL UPGRADATION AND MODERNISATION

The year 1998-99 was identified for Technology Upgradation and Modernisation in order to update various units with the latest know how and technological changes.

The Company has provided for substantial budget for modernisation of its Cotton Spinning Division. Two significant advancements were carried out for its 100% EOU Cotton Spinning Division by installing the Vacuumised Yarn Conditioning (Heat set) system and also by installing new generation Cards. Besides new equipments were added in the Laboratory and Quality Control section for better Research facilities to improve the product quality. A latest technology Single Yarn Strength tester was also purchased.

Besides, it has also incurred substantial cost towards up-grading technology and expansion and modification of its New Solvent plant at Kadi as well as Pithampur.

The continuous upgradation is being carried out for its Maize Based Project also. In view of the above, the company has a vision to update itself so as to withstand the competition from other units in the domestic as well as in the International Market.

CURRENT YEAR'S OUTLOOK

You may be aware that, the period of April to September is normally off season period for Solvent Extraction Division. However, the performance of Cotton Spinning Division has been consistently appreciating. The 100% EOU of Cotton Spinning Division at Himatnagar is expected to contribute substantial improvement in profits this year.

Besides, the Company has taken lot of initiative to offset shooting up of prices of Maize as well as Cotton by importing them. The Company has also imported Wheat & Oil at comparatively lower price as compared to



Gujarat Ambuja Exports Limited

domestic price and therefore is expecting to report substantial improvements in profits.

The Directors would like to state that, due to changed scenario emerging due to poor monsoon all over India, the Company may be required to source the requirements of raw materials through imports and for the above, the Company has already made necessary arrangements.

Besides, the Company has extremely low debt:equity ratio and it is expected to withstand any eventuality arising due to reduced margin or lower sales. Therefore the Directors are optimistic about the performance for the year ended 31st March, 2000.

During the financial year the Company has imported HSD for its Captive Power Generation Plant, which has been contributory to saving substantial cost. The Board is happy to inform that our Company is perhaps the first in private sector to have imported HSD in large quantities for Captive Consumption.

ACCREDITATION AND REMARKABLE ACHIEVEMENTS

During the year the Company commenced its journey to consolidation and synergising the operations to take the benefit of the Amalgamation. The Company converted its two Solvent Extraction Plants at Kadi into 100% EOU. It also received ISO 9000 certification for the above two plants. The Company is also progressing to achieve ISO 9000 accreditation for its other plants.

Simultaneously the Company also initiated efforts in cost cutting at all ends. Noteworthy achievements have been made in controlling the Financing costs, Salaries and administrative overheads. The shareholders have also contributed by consolidating their folios, including those of their family members to save cost of service.

The Company also came out with novel scheme of Odd-lot disposal for the benefit of those shareholders who have odd-lot holdings, where many shareholders have been benefited.

The Company also set up a Government Recognised Textile Institute, under the State Council of Vocational Training, equivalent to the status of ITI. The Institute provides the education and training to the students in the Spinning related trades. This helps the tribal people of nearby vicinity to gain free education in specialised field, over and above, the students are given Stipend and hostel accommodation. This is first of its kind by any industry in Gujarat and any textile Unit in the Country.

FINANCE & INSURANCE

The Company has tremendous financial strength and leverage and has been receiving excellent co-operation from the present bankers i.e. Bank of India, Punjab National Bank. The Company has secured all its Fixed Assets and insurable interests adequately.

DISCLOSURE OF INFORMATION PURSUANT TO PROVISIONS OF LISTING AGREEMENT WITH STOCK EXCHANGE

The Equity Shares of the Company are listed on the Ahmedabad, Mumbai, Delhi and Jaipur Stock Exchanges and Annual Listing Fees due for the year 1999-2000 in respect of enhanced capital after amalgamation have been duly paid by the Company to the respective Stock Exchanges. The Company has received a listing permission from all stock exchanges where the shares of the Company are listed, for new equity shares issued on Amalgamation.

Y2K COMPATIBILITY

The Company has taken sufficient steps to upgrade all its Systems, Software and equipments including computers to make it Y2K compatible. The Company does not expect major expenditure on this account. Besides, most of the systems have already been made Y2K compatible and remaining task is expected to be completed in time and hence Company does not expect any risk or substantial expenditure on Y2K preparedness.

PUBLIC DEPOSITS

As informed in our earlier report, the Company has prepaid all Fixed Deposits. However, there is still an unclaimed fixed deposit of Rs. 45,000/-

THE DIRECTORS & OTHER EXECUTIVES

The Company is ably supported by professional Directors on its Board. In pursuance of the requirement of the Companies Act, Smt. S.V. Gupta & Shri Sandeep Agarwal retire by rotation and have offered themselves for reappointment.

The Company is also ably supported by experts and professionals in respective fields for carrying out various activities at Plant and in other areas.

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

The information in relation to the above as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 is attached in the annexure to this report.

PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

Information in the form of Annexure to this report is given in respect of the details of the employees drawing remuneration of more than Rs. 600,000 per annum, where employed for full year or Rs. 50,000 per month, where employed for a part of the year. Besides, information relating to the Cash Flow, Business profile and the statement under Section 212 in respect of the information relating to the subsidiaries is

also attached.

AUDITORS & AUDITORS' REPORT

In pursuance to the approval at the last Annual General Meeting M/s. Kantilal Patei & Company, Chartered Accountants, Ahmedabad have been appointed as Auditors of the Company till conclusion of the Annual General Meeting. You are requested to consider their appointment as they have furnished necessary certificate under the provision of Section 224 (1B) of the Companies Act, 1956 that, their appointment if made would be within statutory limits.

The Auditors' report is self explanatory. The observations of the auditors in relation to Internal Audit system is well taken by the Board and Board has already initiated to strengthen the Internal Audit System.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks for continuous support of the Banks, Central Government, State Government, Office of the Industries Commissioner, Office of the Development Commissioner, valued customers and devoted staff for their continuous co-operation and contribution to the growth and progress of the Company.

The Directors also express their sincere gratitude to the shareholders who have reposed full confidence in the management and who have stayed to support the Company at all times.

For and on behalf of the
Board of Directors

Vijay Kumar Gupta

Chairman & Managing Director

Place : Ahmedabad

Date : 30th September, 1999

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Board of Directors' Report) Rules, 1988 and forming part of the Directors' Report for the Financial Year Ended 31.03.99.

A. CONSERVATION OF ENERGY

1) Energy Conservation measures taken :-

The Company has formed a strong technical department headed by a senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technological upgradation of plant & machinery, in various units. The Company has plans to install energy efficient devices in the new projects also.

2) Total energy consumption and energy consumption per unit of production:

FORM-"A"

A) POWER AND FUEL CONSUMPTION 1998-99 1997-98

[A] SOLVENT EXTRACTION UNIT :

1) Electricity

a) Purchased:

Unit 5184519 5926080

Total Amount (Rs.) 22138119 22819903

Rate/Unit (Rs.) 4.27 3.85

Cost of Consumption per Unit of

Production (M.T.) Rs. 139.69 Rs. 126.78

(Including Production on Job basis)

b) Own Generation

i) Through Diesel Generator Unit

Ltrs. (Diesel) 129942 30443

Total Amount (Rs.) 1163669 271646

Rate/Unit (Rs.) 8.96 8.92

Cost of Consumption per Unit of

Production (MT) Rs. 17.79 3.92

ii) Through Steam Turbine

NIL NIL

2) Coal:

Qty (M.T.) 11112.267 12003.520

Total Cost (Rs.) 15107450 16944416

Avg. Rate (Rs.) 1359.52 1411.62

Cost of Consumption per

Unit of Production (M.T.) Rs. 95.33 Rs. 94.14

3) Furnace Oil

NIL NIL

4) Others/Internal Generation

Steam from Heat Recovery Boiler

Qty 1856513 Kg 1956008 Kg

Total Cost (Rs.) 777791 3379001

Rate/Unit 0.42 Kg. 1.73 Kg.

Cost of Consumption per Unit of

Production (M.T.) Rs. 4.91 Rs. 19.90