



GUJARAT AMBUJA EXPORTS LIMITED

AHMEDABAD, INDIA

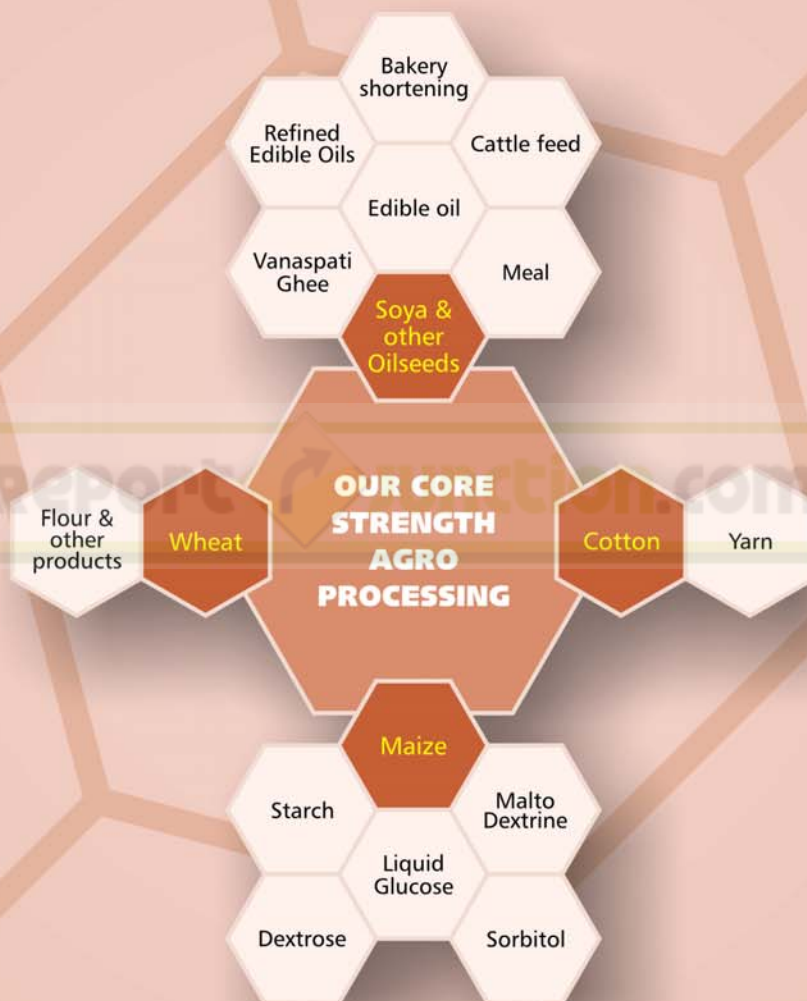
18TH ANNUAL REPORT 2008-2009

Report  junction.com

Committed to Growth



Well diversified still focused on Agro Processing





Gujarat Ambuja Exports Limited

18th ANNUAL REPORT 2008-2009

Regd. Office: "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, PO. Navjivan, Ahmedabad-380 014
Phone: 26423316-20, 26405535-37 & 39 • Fax: 079-26423079 • E-mail : info@ambujagroup.com • Website: www.ambujagroup.com

BOARD OF DIRECTORS

Mr. Vijay Kumar Gupta, Chairman & Managing Director
Mr. Manish V Gupta, Managing Director
Mr. Parshottam G. Makhija, Executive Director
(Resigned w.e.f. 31/05/2009)
Mrs. Sulochana V Gupta
Mr. Jagdish Sharan Varshneya
Mr. Chaitan M Maniar
Mr. Prakash G Ramrakhiani
Mr. Ashok C Gandhi
Mr. Sandeep N Agrawal
Mr. Rohit J Patel
Mr. Mohit V Gupta, Joint Managing Director

Vice President (Finance & Accounts)

Mr. N Giridhar (w.e.f. 04/07/2008)

Company Secretary

Mr. Paras Mehta (w.e.f. 31/05/2009)

AUDITORS

M/s. Kantilal Patel & Co., Chartered Accountants,
(A member firm of Polaris International, USA).

BANKERS

1. Bank of India
2. Punjab National Bank
3. Union Bank of India
4. HDFC Bank Limited
5. State Bank of Mysore

SHARE TRANSFER AGENT

(PHYSICAL & ELECTRONIC FORM)

Jupiter Corporate Services Limited
"Ambuja Tower", Opp. Memnagar Fire Station,
Navrangpura, P.O. Navjivan, Ahmedabad – 380 014.

SUBSIDIARY :

Gujarat Ambuja International Pte. Ltd , Singapore

CONTENTS	PAGE NO.
Information to Members	1
Notice of Annual General Meeting	2-7
Directors' Report & Annexures	8-19
Auditors' Report	20-21
Balance Sheet	22
Profit & Loss Account	23
Cash Flow Statement	24
Schedules & Notes on Accounts	25-40
Annual Report of Gujarat Ambuja International Pte. Ltd., Singapore	41-45
Consolidated Financial Statements	45-56
Proxy & Attendance Slip	55
Note for Attention of Members	56

PLANTS

Sr Name of Unit and Location

1. 100% EOU Cotton Spinning Division
Vil.Dalpur, Dist. Sabarkantha, Gujarat
2. Bio-Chemical Division (Maize Processing)
Vil.Dalpur, Dist. Sabarkantha, Gujarat
3. Edible Oil Refineries & Vanaspati Ghee Unit
Kadi, Dist. Mehsana, Gujarat
4. Solvent Extraction Unit-I
Nani Kadi, Dist Mehsana, Gujarat
5. Solvent Extraction Unit-II
Kadi, Dist. Mehsana, Gujarat
6. Solvent Extraction Unit-III
Kadi, Dist.Mehsana ,Gujarat
7. Solvent Extraction Unit-IV
Pithampur, Dist.Dhar(M.P)
8. Solvent Extraction Unit- V
N.H. No.6, Akola-Balapur Road,Village Kanheri,
Gawali, Tal.Balapur, Dist Akola, Maharashtra.
9. Wheat Processing Unit
Kadi, Dist Mehsana, Gujarat
10. Cattle Feed Unit
Kadi, Dist Mehsana, Gujarat
11. Wheat Processing Unit
Pithampur, Dist Dhar (M.P)
12. Maize Processing Unit
Plot C-50, ELDECO, SIDCUL Industrial Park,
Sitarganj, Dist. Udham Singh Nagar, Uttarakhand
13. Wind Mills (Gujarat)
 - a. B-87, R S No. 471/P, Village Lamba,
Taluka Kalyanpur, Dist Jamnagar.
 - b. WTG No. 1, Machine No.1,
Survey No. 400, Village Kuranga,
Taluka Dwarka, Dist Jamnagar.
 - c. WTG No. 2, Machine No.2
Survey No. 400, Village Kuranga,
Taluka Dwarka, Dist Jamnagar.
 - d. WTG No. 3, Machine No. 6
Survey No. 400, Village Kuranga,
Taluka Dwarka, Dist Jamnagar.
 - e. Survey No.213/2, Village: Satapar,
Tal: Kalyanpur, Dist. Jamnagar
 - f. WTG No.1, V-4, Survey No. 43/1/P
Village: Moti Sindhodi, Tal: Abdasa, Dist. Kutch
 - g. WTG No.2, V-7, Survey No. 36/2/P
Village: Moti Sindhodi, Tal: Abdasa, Dist. Kutch

SCHEDULE OF ANNUAL GENERAL MEETING

Day : Thursday **Date** : 24th September, 2009 **Time** : 11.00 a.m.
Venue : GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.



Notice

Notice is hereby given that the 18th Annual General Meeting of Members of GUJARAT AMBUJA EXPORTS LIMITED will be held on Thursday, the 24th September 2009 at 11.00 a.m. at GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2009, Profit & Loss Account for the year ended on that date, Directors' Report and Auditors' Report thereon.
2. To confirm the payment of interim dividend on Equity Shares for the year 2008-09 as final dividend for F.Y. 2008-09.
3. To appoint a Director in place of Mrs. Sulochana V Gupta, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. Sandeep Agrawal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Rohit J Patel, who retires by rotation and being eligible, offers himself for reappointment.
6. To re-appoint statutory 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

7. Revision in Terms of Remuneration of Mr. Vijay Kumar Gupta, Chairman and Managing Director of the Company

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of earlier resolution passed by the members at the 16th Annual General Meeting held on 25th September, 2007 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Mr. Vijay Kumar Gupta, Chairman and Managing Director of the Company (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) with the revised terms and conditions of remuneration as set out below with effect from 1st August, 2009 for the remaining tenure of his appointment i.e. up to 31st March, 2013 and also as set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Vijay Kumar Gupta, as submitted to this meeting and initiated by the Chairman of the meeting for the purpose of identification which supplemental agreement is approved with specific authority to Board of Directors of the Company to further alter, vary and/or amend the terms and conditions of appointment including the revised remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Mr. Vijay Kumar Gupta. :

1. Remuneration

I **Salary** : Rs.4,00,000/- per month (Rupees Four lacs per month)

II **Perquisites and allowances** : In addition to the salary, Mr. Vijay Kumar Gupta shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave

encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 1,00,000 per month (Rupees One Lac Per month). The nature and break up of the perquisites and allowances will be determined in accordance with the rules of the Company or by the Board of Directors from time to time.

III Commission:

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956, shall also be payable.

2. Overall Remuneration :

The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

3. Minimum Remuneration :

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Clause A of Para 1 read with Para 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

4. Other Terms and Conditions:

Other terms and conditions of appointment of Mr. Vijay Kumar Gupta as Managing Director as approved by the members at the 16th Annual General Meeting held on 25th September, 2007 and as mentioned in the original agreement remains unchanged."

"RESOLVED FURTHER THAT the Managing Director shall not be liable to retirement by rotation pursuant to Article 163 (1) of the Articles of Association of the Company"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

8. Revision in Terms of Remuneration of Mr. Manish Gupta, Managing Director of the Company

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT in partial modification of earlier resolution passed by the members at the 17th Annual General Meeting held on 29th September, 2008 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Mr. Manish Gupta, Managing Director of the Company (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) with the revised terms and conditions of remuneration as set out below with effect from 1st August, 2009 for the remaining tenure of his appointment i.e. upto 27th December, 2013 and also as set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Manish Gupta, as submitted to this meeting and initiated by the Chairman of the meeting for the purpose of identification which supplemental agreement is approved with specific authority to Board of Directors of the Company to further alter, vary and/or amend the terms and conditions of appointment including the revised remuneration so as not to exceed the



limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Mr. Manish Gupta. :

1. Remuneration

I **Salary** : Rs.4,00,000/- per month (Rupees Four lacs per month)

II **Perquisites and allowances** : In addition to the salary, Mr. Manish Gupta shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 1,00,000 per month (Rupees One Lac Per month). The nature and break up of the perquisites and allowances will be determined in accordance with the rules of the Company or by the Board of Directors from time to time.

III Commission:

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956, shall also be payable.

2. Overall Remuneration :

The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

3. Minimum Remuneration :

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Clause A of Para 1 read with Para 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

4. Other Terms and Conditions:

Other terms and conditions of appointment of Mr. Manish Gupta as Managing Director as approved by the members at the 17th Annual General Meeting held on 29th September, 2008 and as mentioned in the original agreement remains unchanged."

"RESOLVED FURTHER THAT the Managing Director shall not be liable to retirement by rotation pursuant to Article 163 (1) of the Articles of Association of the Company"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

9. Revision in Terms of Remuneration of Mr. Mohit V Gupta, Joint Managing Director of the Company

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of earlier resolution passed by the members at the 17th Annual General Meeting held on 29th September, 2008 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment

thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Mr. Mohit V Gupta, Joint Managing Director of the Company (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) with the revised terms and conditions of remuneration as set out below with effect from 1st August, 2009 for the remaining tenure of his appointment i.e. upto 31st July, 2013 and also as set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Mohit V Gupta, as submitted to this meeting and initialed by the Chairman of the meeting for the purpose of identification which supplemental agreement is approved with specific authority to Board of Directors of the Company to further alter, vary and/or amend the terms and conditions of appointment including the revised remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Mr. Mohit V Gupta. :

1. Remuneration

I **Salary** : Rs.1,50,000/- per month up to a maximum of Rs. 2,00,000/- per month with increments as may be decided by Board of Directors from time to time.

II **Perquisites and allowances** : In addition to the salary, Mr. Mohit V Gupta shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 50,000/- per month (Rupees Fifty Thousand Per month). The nature and break up of the perquisites and allowances will be determined in accordance with the rules of the Company or by the Board of Directors from time to time.

III Commission:

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956, shall also be payable.

2. Overall Remuneration :

The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

3. Minimum Remuneration :

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Joint Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Clause A of Para 1 read with Para 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

4. Other Terms and Conditions:

Other terms and conditions of appointment other than retirement by rotation of Mr. Mohit V Gupta as Joint Managing Director as approved by the members at the 17th Annual General Meeting held on 29th September, 2008 and as mentioned in the original agreement remains unchanged."



"RESOLVED FURTHER THAT the Joint Managing Director shall not be liable to retirement by rotation pursuant to Article 163 (1) of the Articles of Association of the Company."

"RESOLVED FURTHER THAT Mr. Mohit V Gupta, Joint Managing Director of the Company be and is hereby authorised, empowered and vested with the substantial powers of the Management of Pithampur Unit the Company for carrying out the affairs and activities of the said division of the Company subject to the superintendence, control and direction of the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

10. **Appointment of Mr. Sandeep Agrawal, as a Whole Time Director of the Company.**

To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the Provisions of Section 198, 269, 309 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification (s) or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr. Sandeep Agrawal as a Whole Time Director of the Company from 1st August, 2009 to 31st July, 2014 (both the days inclusive) on the terms and conditions and remuneration (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) as set out herein below and also as set out in the draft agreement to be entered into between the Company and Mr. Sandeep Agrawal, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the meeting, which agreement is hereby specifically approved with powers to the Board of Directors (which term shall deem to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to further alter, amend, vary and modify the terms and conditions of the said appointment and remuneration payable from time to time as they deem fit in such manner within the limits prescribed under Schedule XIII to the said Act or any amendments thereto and as may be agreed to between the Board of Directors and Mr. Sandeep Agrawal.

1. **Remuneration**

I **Salary** : Rs. 1,00,000/- per month up to a maximum of Rs. 2,00,000/- per month with increments as may be decided by Board of Directors from time to time.

II **Perquisites and allowances** : In addition to the salary, Mr. Sandeep Agrawal shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 50,000/- per month (Rupees Fifty Thousand Per month). The nature and break up of the perquisites and allowances will be determined in accordance with the rules of the Company or by the Board of Directors from time to time.

2. **Overall Remuneration :**

The aggregate of salary, perquisites and allowances in any one financial year shall not exceed the limits

prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

3. **Minimum Remuneration :**

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Whole Time Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Clause A of Para 1 read with Para 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

4. **Other Terms and Conditions:**

- As long as Mr. Sandeep Agrawal functions as Whole Time Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- The office of Mr. Sandeep Agrawal shall be liable to determination of retirement by rotation but the re-appointment by way of retirement by rotation shall not be construed as break in terms of his appointment.
- Mr. Sandeep Agrawal shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by him in India and abroad, exclusively on the business of the Company.
- The Office is liable to termination with 3 months' notice from either side.
- The terms and conditions of the said appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule XIII to the Companies Act, 1956 or any amendments or modifications made thereto.

"RESOLVED FURTHER THAT Mr. Sandeep Agrawal, Whole Time Director of the Company be and is hereby authorised, empowered and vested with the powers of the management of the Akola Unit, Uttarakhand Unit, Mandasour Unit (Proposed) and/or more divisions of the Company, as may be decided by the Board from time to time, for carrying out the affairs and activities of the said divisions of the Company subject to the superintendence, control and direction of the Board of Directors of the Company and whose office shall be liable to retirement by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

11. **Appointment of Mr. Siddharth Agrawal as Vice President of the Company**

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

"RESOLVED THAT pursuant to the provisions of section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Mr. Siddharth Agrawal, a relative of Mr. Sandeep Agrawal, Director of the Company, as (Vice President - Works) at a remuneration of Rs. 45,000/- per month with effect from 1st June, 2009."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be requisite to give effect to this resolution."

12. **Authority to borrow in excess of paid up share capital and free reserves of the Company**

To consider and if thought fit to pass with or without



modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in super session of resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 2nd June, 1998 and pursuant to provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company and/or such other officers/ committee to whom the Board of Directors may empower for borrowing from time to time any sum or sums of money which together with the money already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, provided that the maximum amount of money borrowed shall not at any time exceed the limit of Rs. 1500 crores (Rupees one thousand five hundred crores) only."

13. Authority to Mortgage Assets of the Company

To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in super session of resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 2nd June, 1998 and pursuant to provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company to charge/ mortgage/ create security/ encumber in respect of the whole or substantially the whole of undertaking/s of the Company including all or any of its moveable or immoveable property(ies), both present and future, for securing the loan(s)/ financial assistance obtained/ to be obtained from Banks, Public Financial Institutions, Body or Bodies Corporate or any other party together with interest, compound interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable to Banks, Financial Institutions, Body or Bodies Corporate or any other party in terms of their respective loan agreements, hypothecation agreements, letter of sanction, memorandum of terms and conditions from time to time on behalf of the Company to secure borrowings upto Rs. 2500 Crores."

14. Alteration of Articles of Association of the Company :

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

"RESOLVED THAT pursuant to the provisions of Section 31 and 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 as may be enacted from time to time), Article No. 165 (1) of the Articles of Association of the Company be and is hereby altered by substituting the following Clause as new Article No. 165 (1), in place of the existing Article No. 165 (1) of the Articles of Association of the Company:

'THE SEAL, ITS CUSTODY AND USE:

165 (1) The Directors shall provide a Common Seal for the purpose of the Company and shall have right to destroy the same and substitute a new Seal in lieu thereof from time to time and the Directors shall provide for the safe custody of the Seal and the Seal never be used except by the authority previously given by the Board or a committee of the Board authorised by the Board in that behalf in presence of (a) any two Directors of the Company or (b) one Director and the Company Secretary of the Company or (c) one Director and any other person as may be authorised by the Board for that purpose or (d) any

other person as may be authorised by the Board for that purpose, who shall sign every instrument to which the Seal is so affixed in his presence. Provided further that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and their statutory modification for the time being in force."

"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 in this connection for giving effect of the aforesaid alteration in the Articles of Association of the Company."

By order of the Board

Vijay Kumar Gupta

Chairman and Managing Director

Place : Ahmedabad

Date : JULY 23, 2009

NOTES

1. 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.

2. Register of members and share transfer books of the Company will remain closed from 14th September 2009 to 24th September 2009 (both days inclusive).
3. Unclaimed dividends upto 2000-2001 have been deposited with the central government and/or Investors Education and Protection Fund, as the case may be. Unclaimed dividend for the year 2001-2002 & onwards will be deposited with the Investors Education and Protection Fund as per following chart. Those members who have not encashed the dividend warrant for these years are therefore requested to immediately forward the same, duly discharged to the Company's registrar and share transfer agent to facilitate payment of the dividend.

Financial Year	Date of AGM	Date of Dividend Warrant	Due Date of Transfer to Unpaid Account	Due Date of accepting claim by the Company	Due date for Transfer to Investors Education and Protection Fund
2001-02	25.02.2003	26.03.2003	02.04.2003	25.02.2010	02.04.2010
2002-03	30.09.2003	26.03.2003	13.04.2003	26.03.2010	13.04.2010
Interim: Note:1					
2003-04	23.09.2004	28.09.2004	29.10.2004	23.09.2011	29.10.2011
2004-05	22.09.2005	26.09.2005	28.10.2005	22.09.2012	28.10.2012
2005-06	09.09.2006	13.09.2006	15.10.2006	09.09.2013	15.10.2013
2006-07	25.09.2007	27.09.2007	31.10.2007	25.09.2014	31.10.2014
2007-08	29.09.2008	01.02.2008	27.02.2008	22.01.2015	27.02.2015
Interim: Note:2					
2007-08	29.09.2008	04.10.2008	05.11.2008	29.09.2015	05.11.2015
(Final)					
2008-09	29.04.2009	16.05.2009	04.06.2009	29.04.2016	04.06.2016
Interim: Note:3					

Note:

1. For F.Y. 2002-03 Interim Dividend @ 6% p.a. was approved at the meeting of Board of Directors held on 8.3.2003 and the same had also been paid and the same was approved as Final Dividend for F.Y. 2002-03 by members of the Company at 12th Annual General Meeting held on 30th September, 2003.
2. For F.Y. 2007-08 Interim Dividend @ 20% p.a. was approved at the meeting of Board of Directors held on 22.01.2008 and was paid as interim dividend and the same was approved/ confirmed by the members at the 17th Annual General Meeting held on 29th September, 2008.
3. For F.Y. 2008-09 Interim Dividend @ 20% p.a. was approved at the meeting of Board of Directors held on 29.04.2009 and the same had been paid to members/ beneficial owners as on



record date. The approval of members to confirm the payment of interim dividend as final dividend for F.Y. 2008-09 is sought for, at the ensuing Annual General Meeting.

4. Those members who have not encashed the dividend are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company at its registered office in respect of their physical shareholding, if any.
5. All documents referred to in the notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m., except Sundays and holidays, upto the date of the Annual General Meeting.
6. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. Appointment/ Re-appointment of Directors (Pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Mrs. Sulochana V Gupta, Mr. Sandeep Agrawal and Mr. Rohit J Patel, retire by rotation and being eligible offer themselves for reappointment. The information or details to be provided for the aforesaid Directors under the corporate governance code are as under:

- (a) Smt. Sulochana V Gupta aged 55 years is industrialist and promoter of the Company and possesses rich experience of 31 years. She supervises and monitors administrative functions of the Company. She also actively contributes in the policy decisions of the Company. She is on the Board of Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited, Esveegee Realty (Gujarat) Private Limited, Esveegee Shipyard (Gujarat) Private Limited, Esveegee Educom (Gujarat) Private Limited, Esveegee Solvent Extraction (Gujarat) Private Limited, Esveegee Starch and Chemicals Private Limited, Esveegee Hotels and Spa (Gujarat) Private Limited, Esveegee Pharma (Gujarat) Private Limited, Esveegee Agrofarming (Gujarat) Private Limited, Esveegee Oil and Gas Pipes (Gujarat) Private Limited, Esveegee Steel (Gujarat) Private Limited, Esveegee Financial Services (Gujarat) Private Limited, Esveegee Breweries Private Limited and Esveegee Wires and Metals Private Limited. She is also Chairman of Shareholders'/ Investors' Grievances Redressal Committee and Member of Remuneration Committee of the Company. She was holding 44,85,385 Equity Shares of Rs. 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2009.
- (b) Shri Sandeep N Agrawal, aged 37 years is an MBA and associated as Director with the Company since 1995. He has varied and rich experience of management, administration and marketing of more than 15 years. He was also member of Audit Committee, Remuneration Committee and Shareholders'/ Investors' Grievances Redressal Committee of the Company. He is not holding any Equity Shares of Gujarat Ambuja Exports Limited as on 31.03.2009.
- (c) Shri Rohit J. Patel, aged 63 years is B.E. II (Electrical) and consultant on Management and Human Resources Management. He is on the Board of the Company since 30.07.2005. He is visiting faculty to various organizations, institutions, associations and universities. He is writer of several books on personality development and management. He has established Symcom Corporation in the year 1971, the first private organization to impart training in computers, sales, TOEFL and practical job oriented courses. He is also on the Board of Vadilal Industries Limited. He is member of Education Committee of Ahmedabad Management Association. He was not holding any Equity Shares of Gujarat Ambuja Exports Limited as on 31.03.2009.

ANNEXURE TO NOTICE

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

ITEM NOS. 7 to 9

Revision in terms of remuneration of Mr. Vijay Kumar Gupta, Chairman & Managing Director, Mr. Manish V Gupta, Managing Director and Mr. Mohit V Gupta, Joint Managing Director

Re-appointment of Mr. Vijay Kumar Gupta as Managing Director of the Company for the period from 18th April, 2008 to 31st March, 2013 was approved by the members of the Company at the 16th Annual General Meeting held on 25th September, 2007 at salary of Rs.1,50,000/- p.m. and allowances, perquisites and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956.

Re-appointment of Mr. Manish V Gupta as Managing Director of the Company for the period from 28th December, 2008 to 27th December, 2013 was approved by the members of the Company at the 17th Annual General Meeting held on 29th September, 2008 at salary of Rs. 1,50,000/- p.m. and allowances, perquisites and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956.

Appointment of Mr. Mohit V Gupta as Joint Managing Director of the Company for the period from 1st August, 2008 to 31st July, 2013 was approved by the members of the Company at the 17th Annual General Meeting held on 29th September, 2008 at salary of Rs.1,25,000/- p.m. and allowances, perquisites and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956.

Considering the increase in activities, responsibilities and contribution of Mr. Vijay Kumar Gupta, Mr. Manish Gupta and Mr. Mohit V Gupta, Remuneration Committee and Board of Directors of the Company at their respective meetings held on 23rd July 2009 approved revision in terms of their remuneration w.e.f. 1st August, 2009 to remainder of their respective tenure subject to approval of members at the General Meeting, by altering the composition of the overall package of respective managerial personnel.

Details as required under Clause 49 of Listing agreement of Mr. Vijay Kumar Gupta, Mr. Manish V Gupta and Mr. Mohit V Gupta are as under:

Shri Vijay Kumar Gupta is aged 60 years with qualification of B.IS. and managerial experience of 37 years. He is an industrialist and Promoter Director and is main contributory to the growth and development of the Company and Gujarat Ambuja Exports group. He is also Director of other Companies namely Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited, Gujarat Ambuja International (Pte) Limited, Singapore, Jay Agriculture and Horticulture Products Private Limited, Jay Infrastructure and Properties Private Limited, Jay Ambe Infra Projects Pvt. Ltd., Esveegee Realty (Gujarat) Private Limited, Esveegee Shipyard (Gujarat) Private Limited, Esveegee Educom (Gujarat) Private Limited, Esveegee Solvent Extraction (Gujarat) Private Limited, Esveegee Starch and Chemicals Private Limited, Esveegee Hotels and SPA (Gujarat) Private Limited, Esveegee Pharma (Gujarat) Private Limited, Esveegee Agrofarming (Gujarat) Private Limited, Esveegee Oil and Gas Pipes (Gujarat) Private Limited, Esveegee Steel (Gujarat) Private Limited, Esveegee Financial Services (Gujarat) Private Limited, Esveegee Breweries Private Limited and Esveegee Wires and Metals Private Limited. He also holds Chairmanship of Share Transfer Committee and member of Shareholders'/ Investors' Grievances Redressal Committee of the Company. He was holding 3,90,23,083 Equity Shares of Rs. 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2009.

Mr. Manish V Gupta, aged 37 years, with graduation in commerce and managerial experience of 18 years, is young and dynamic entrepreneur. He is one of the Promoter and main contributory to the growth and development of the Company and Gujarat Ambuja Exports group. He also holds directorship in other Companies namely Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited, Royale Exports Limited, Sri Lanka, The Soyabean Processing Association of India, The Solvent Extractors' Association of India, Jay Agriculture and Horticulture Products Private Limited, Jay Infrastructure and Properties Private Limited, Jay Ambe Infra Projects Private Limited and Gujarat Ambuja International Pte. Ltd, incorporated at Singapore. He is also member of Share Transfer Committee of Gujarat Ambuja Exports Limited. He was holding 3,39,71,493 Equity shares of Rs. 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2009.



Mr. Mohit V Gupta, aged 27 years, is young and dynamic entrepreneur with Diploma in International Business Management and Human Resource Management, Family Business Management from S.P. Jain Institute of Management and Research and Diploma Computer Information System from University of South Alabama, U.S.A.. He also holds directorship in other Companies namely Jay Agriculture and Horticulture Products Private Limited and Jay Infrastructure and Properties Private Limited. He was holding 90,17,095 Equity shares of Rs.2/- each of Gujarat Ambuja Exports Limited as on 31.03.2009.

The draft Supplemental Agreements to be entered into by the Company with Mr. Vijay Kumar Gupta, Mr. Manish V Gupta and Mr. Mohit V Gupta are available for inspection between 11.00 a.m. and 1.00 p.m. on all working days except Sundays and Holidays at the Registered Office of the Company.

Mr. Vijay Kumar Gupta, Mr. Manish V Gupta and Mr. Mohit V Gupta be considered to be concerned or interested in their respective resolutions. Mr. Manish V. Gupta, Mrs. Sulochana V Gupta and Mr. Mohit V Gupta being relatives of Mr. Vijay Kumar Gupta be considered concerned or interested for resolution set out at Item No. 7. Mr. Vijay Kumar Gupta, Mrs. Sulochana V Gupta and Mr. Mohit V Gupta being relatives of Mr. Manish V Gupta be considered concerned or interested for resolution set out at Item No. 8. Mr. Vijay Kumar Gupta, Mrs. Sulochana V Gupta and Mr. Manish V. Gupta being relatives of Mr. Mohit V Gupta be considered concerned or interested for resolution set out at Item No. 9. Save as aforesaid, none of the other Directors are concerned or interested in the said Resolution.

This explanatory statement together with the accompanying notice is to be regarded as an abstract of the terms of the agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Directors recommend the passing of the resolutions proposed at Item No. 7, 8 and 9 of the Notice.

ITEM NO. 10

Appointment of Mr. Sandeep Agrawal as a Whole Time Director of the Company

Mr Sandeep N Agrawal, aged 37 years is an MBA and is associated with the Company as Director since 1995. He has varied and rich experience of management, administration and marketing of more than 15 years. Considering his contribution as Director of the Company and to take benefit of his varied and rich experience in day today management of the Company, the Remuneration Committee and Board of Directors at their respective meetings held on 23rd July 2009, subject to approval of members at the General Meeting, approved his appointment as a Whole Time Director for the period of 5 years from 1st August, 2009. He is not on the Board of any other Company. He was not holding any Equity Shares of Gujarat Ambuja Exports Limited as on 31.03.2009.

The draft Agreement to be entered into by the Company with Mr. Sandeep Agrawal is available for inspection between 11.00 a.m. and 1.00 p.m. on all working days, except Sundays and Holidays at the Registered Office of the Company.

Mr. Sandeep Agrawal be considered to be concerned or interested in the resolution set out at Item No. 10. Save as aforesaid, none of the other Directors are concerned or interested in the said Resolution.

The Directors recommend the passing of the resolution proposed at Item No. 10 of the Notice.

ITEM NO. 11

Appointment of Mr. Siddharth Agrawal as Vice President (Works)

The Board of Directors of the Company at its meeting held on 29th May, 2009 subject to approval of the members in a general meeting by way of Special resolution, has appointed Mr. Siddharth Agrawal, brother of Shri Sandeep Agrawal, a Director of the Company as Vice President (Works) of the Company at a monthly remuneration of Rs. 45,000/- Mr. Siddharth Agrawal, aged 31 is commerce graduate having more than 5 years experience of management, marketing, and administration.

Pursuant to provisions of Section 314 (1) of the Companies Act, 1956, any relative of a director of a Company can not be appointed at a remuneration of Rs. 10,000/- per month or above without consent of the Company accorded by a special resolution at a General Meeting.

Mr. Sandeep Agrawal being relative as brother of Mr. Siddharth Agrawal be considered as concerned or interested in the resolution set out at item No. 11. Save as aforesaid, none of the other Directors are concerned or interested in the said Resolution.

The Directors recommend the passing of the resolution proposed at Item No. 11 of the accompanying Notice.

ITEM NO. 12

Authority to borrow in excess of paid up share capital and free reserves of the Company

As per requirement of Section 293 (1) (d) of the Companies Act, 1956, borrowing in excess of paid up share capital and free reserves of the Company requires approval of members at the General Meeting.

The members of the Company at the Extra Ordinary General Meeting held on 2nd June, 1998 approved the borrowing (except the monies borrowed by the Company from its bankers in ordinary course of business) upto Rs. 400 Crores. Considering the growth of the Company in last decade and future requirements for long term funds, it is proposed to increase said limit to Rs. 1500 Crores.

None of the Directors of the Company are concerned or interested in the resolution set out at Item No.12 of the Notice.

The Directors recommend the passing of the resolution proposed at Item No. 12 of the Notice.

ITEM NO. 13

Authority to Mortgage Assets of the Company

It is proposed to authorise Board of Directors of the Company to charge/ mortgage/ create security/ encumber in respect of the whole or substantially the whole of undertaking/s of the Company including all or any of its moveable or immoveable property(ies), both present and future, for securing the loan(s)/ financial assistance obtained/ to be obtained from Banks, Public Financial Institutions, Body or Bodies Corporate or any other party upto Rs. 2500 Crores. It may be noted that at the Extra Ordinary General Meeting held on 2nd June, 1998, the members of the Company had given approval to the Board of Directors, but considering proposed increase in borrowing limits, consequential resolution pursuant to requirement of Section 293 (1) (a) of the Companies Act, 1956 is recommended for approval.

None of the Directors of the Company are concerned or interested in the resolution set out at Item No.13 of the Notice.

The Directors recommend the passing of the resolution proposed at Item No. 13 of the Notice.

ITEM NO. 14

Alteration of Articles of Association of the Company

At present, pursuant to Article No. 165 (1) of the Articles of Association of the Company, the Common Seal of the Company shall be affixed on any instrument in presence of at least one Director of the Company and every such instrument is required to be countersigned by the Managing Director or such other Officer or person as the Directors may from time to time authorise.

The Company proposes to alter Article No. 165 (1) of the Articles of Association of the Company by substituting a new Clause as Article No. 165 (1) in place of the existing Article No. 165 (1) of the Articles of Association of the Company, authorising any other person as may be authorised by the Board, in addition to the Directors of the Company, to affix Common Seal of the Company on any instrument, so as to facilitate expeditious execution of documents.

Pursuant to the provisions of Section 31 of the Companies Act, 1956, the approval of Members of the Company by way of a Special Resolution is required to be obtained for the purpose of alteration in Articles of Association of the Company.

A copy of the Articles of Association of the Company together with the proposed alteration shall be available for inspection, at the Registered Office of the Company, by any Member during 11.00 a.m. to 1.00 p.m. on any working day of the Company, upto the date of the meeting.

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

The Board proposes the resolution to the members for their approval.

By order of the Board

Place : Ahmedabad
Date : JULY 23, 2009

Vijay Kumar Gupta
Chairman and Managing Director



Directors' Report

To,
The Members,
Gujarat Ambuja Exports Limited.

Your Directors have pleasure in presenting 18th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

The summary of the financial results is given below: (Rs. in Crores)

PARTICULARS	2008-09	2007-08
NET TURNOVER & OTHER INCOME	1605.89	1828.89
(INCLUDING EXPORTS- FOB VALUE)	618.60	892.19
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES	92.05	156.19
LESS:		
INTEREST & FINANCE CHARGES	11.00	15.22
DEPRECIATION	36.36	31.46
PROVISION FOR TAXATION (INCL.DEFERED TAX)	21.22	38.26
ADD : PRIOR PERIOD ITEMS	0.10	0.00
NET PROFIT FOR THE YEAR	23.57	71.25
ADD: BALANCE OF PROFIT CARRIED FORWARD	175.39	124.77
TOTAL PROFIT AVAILABLE FOR APPROPRIATION	198.97	196.02
APPROPRIATED AS UNDER		
INTERIM DIVIDEND	5.53	5.53
DIVIDEND DISTRIBUTION TAX ON INTERIM DIVIDEND	0.94	0.94
FINAL DIVIDEND	0.00	5.53
PROVISION FOR DIVIDEND DISTRIBUTION TAX	0.00	0.94
TRANSFER TO CAPITAL REDEMPTION RESERVE	0.00	0.19
TRANSFER TO GENERAL RESERVE	1.80	7.50
TOTAL APPROPRIATION	8.27	20.63
BALANCE CARRIED TO BALANCE SHEET	190.70	175.39

DIVIDEND

The Board of Directors had declared interim dividend of Rs. 0.40 per share (20% p.a.) for F.Y.2008-09 at its meeting held on 29th April, 2009 and the same had been paid to eligible members and/or beneficial owners.

The total cash outflow for interim dividend was Rs. 647.46 lacs (including dividend distribution tax of Rs. 94.05 lacs) as against cash outflow of Rs.1294.92 lacs (including Rs. 188.10 lacs of dividend distribution tax) paid last year towards both interim and final dividend.

The members are requested to approve the interim dividend for F. Y. 2008-09 as final dividend.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 180.00 lacs to the General Reserve out of the total amount available for appropriations and an amount of Rs. 19069.58 lacs is proposed to be carried forward to Balance sheet.

BUSINESS OPERATIONS

A. Operational Performance

The performance during the last financial year can be broadly divided into two parts. The first part being the period up to September, 2008 and second part being period from October, 2008 to March, 2009. In the first half, global slowdown and also other economic factor including huge volatility in foreign exchange rates had marginal impact on the performance of the Company. In fact, in the first quarter the Company maintained its operational and financial performance because it was able to reap the benefits of better realization of existing sale contracts and low cost inventory held at the end of previous financial year. Effect of global slowdown on Indian economy started having its impact in the second quarter of the F.Y. 2008-09 resulting into uncertainty, contraction of demand, squeeze in operating margin, lower utilization of capacity added to foreign exchange volatility. Situation became more adverse during third and fourth quarter of the F.Y. 2008-09, adversely affecting the operations and financial performance of the Company. The exchange rate became more volatile in the second half of the year and the dollar-rupee rate breached the historic high level of Rs.49.05 of September'01 and reached to Rs. 52.46 in March, 2009. The volatility in commodity market of oil and oil cakes were also at its peak during the second half of the year of the financial year. The margin of Cotton Yarn affected adversely due to effect of global slowdown in importing countries of EU and South East Asian Market, where the Company has more presence.

The price of raw cotton both in domestic and international market also remained firm due to support of respective governments to the farmers. During the F.Y. 2008-09, the maize processing and windmill segments were able to maintain its top and bottom line performance while major contributory i.e. Agro Processing and Cotton yarn segments were adversely affected due to above referred factors in comparison to F.Y. 2007-08.

During the year 2008-09, the Company was able to achieve the earning before interest depreciation and tax (EBIDTA) of Rs. 92.05 Crores as compared to Rs. 156.19 Crores during F.Y. 2007-08.

The top line of the Company was also adversely affected during F.Y. 2008-09 reflecting net turnover & other income of Rs. 1605.89 Crores as compared to Rs.1828.89 Crores. The export sales of the Company reduced from Rs. 892.19 Crores (FOB value) in F.Y. 2007-08 to Rs.618.60 Crores (FOB value).

The Cash profit, profit after tax and corresponding EPS remained Rs. 81.05 Crores, 23.57 Crores and Rs. 1.70 per share respectively.

Highlights of performance are discussed in detail in the Management Discussion and Analysis report attached to this report.

B. Capital Projects for the year 2008-09:

The Board of Directors is glad to inform that during the F.Y. 2008-09, the Company made further investment at different units for new plant and machinery, upgrading the technology and revamping the existing production facilities to increase the productivity and yield. During the year under report new fixed assets amounting to Rs. 18.72 Crores are bought.

CORPORATE MATTERS

Corporate Governance

The Company makes due compliance of Corporate Governance guidelines and requirements of the Listing Agreement with the Stock Exchanges where the Company's shares are listed. A separate report on Corporate Governance, along with a certificate from the Auditors confirming the compliance is annexed as **Annexure-A** and forms part of the Directors' Report.

Management Discussion and Analysis

The statement on management and discussion and analysis with detailed highlights of performance of different divisions is given as **Annexure-B** to this report.

SUBSIDIARY COMPANY AND CONSOLIDATED ACCOUNTS

The statement under Section 212 of the Companies Act, 1956 in relation to the subsidiary Company M/s. Gujarat Ambuja International Pte. Ltd, Singapore is enclosed herewith. The accounts of the Subsidiary Company as redrafted in accordance with the provisions of the Companies Act, 1956 in Indian context are also enclosed. Further the Company has also prepared the consolidated statement of accounts as required by the Accounting Standard 21 and the said statements as audited are also being published for the benefit of the shareholders.

FINANCE AND INSURANCE

Working Capital

The Company has adequate working capital facilities from the consortium of banks. The CRISIL has continued with the highest rating for safety as per Basel-II norms.

Term Loans

During the last financial year the Company has not availed any fresh term loans. The Company has prepaid term loan of Rs.10 lacs availed for Uttarakhand plant. The Company is regular in repayment of other term loans availed from Bank of India & IREDA.

Insurance

All the assets and insurable interests of the Company, including building, plant and machineries, stocks, stores and spares have been adequately insured against various risks and perils.

PUBLIC DEPOSITS

During the period under report, the Company has not accepted nor renewed any deposit by invitation to the public at large.

DIRECTORS

The Company is well supported by the knowledge and experience of its Directors and Executives. Mr. P.G. Makhija, Executive Director resigned as Executive Director and Director of the Company due to personal