



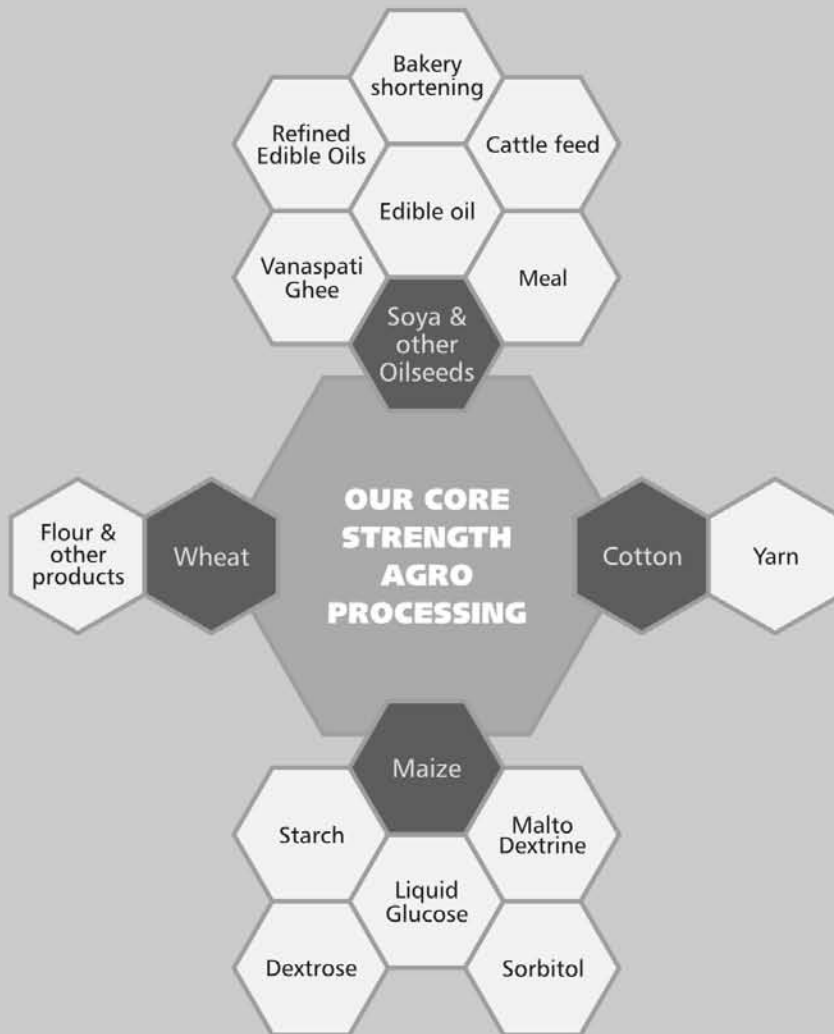
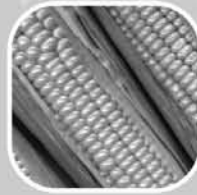
**GUJARAT AMBUJA  
EXPORTS LIMITED**

Committed to growth



19th Annual Report 2009-10

## Well diversified still focused on Agro Processing



**FOR ATTENTION OF ALL MEMBERS  
(REQUEST - TO SURVE YOU BETTER)**

**For Shares held in physical form**

1. Members of erstwhile Gujarat Ambuja Cotspin Limited (GACL) (Also known as Gujarat Ambuja Steel Limited and Ambuja Foods Limited) , Gujarat Ambuja Proteins Limited (GAPL) and Jupiter Biotech Limited (Formerly known as Gujarat Vita Pharma Limited) (hereinafter also referred as Amalgamating Companies) are requested to send their shares of above companies for exchange at the Registered Office of the Company immediately to get shares of Gujarat Ambuja Exports Limited (GAEL and/or Amalgamated Company).
2. Members holding equity shares of Rs.10/- each of Gujarat Ambuja Exports Limited (GAEL) are also requested to send at the Registered Office of the Company their Rs.10/- face value shares to get sub-divided Rs.2/- face value equity shares certificates of GAEL.
3. Equity Shares of the Company are under compulsory dematerialization and to get benefits of dematerialization please send equity shares of GAEL of Rs.2/- each for dematerialization through your Depository Participant (DP). ISIN No. is INE036B01022.
4. Kindly get your shares transmitted in the name of second holder/ legal heirs in case of death of First holder/ Single holder as the case may be at the earliest.
5. Kindly register your change of address immediately at the Registered office of the Company and get acknowledgement for registration.
6. As directed by SEBI Circular No. MRD/DOP/Cir-05/2009 dated 20.05.2009, all transferee(s) are compulsorily required to submit copy of PAN Card alongwith transfer form in the absence of which, request for transfer will be rejected.
7. Members holding shares in physical form and desirous of making nomination may request for Form No.2B from the Company or Registrar and Share Transfer Agents (R & T) M/s. Jupiter Corporate Services Limited.
8. Please quote your Folio No. and other details in all communication with the Company and/or Registrar and Share Transfer Agent of the Company

**For Shares held in Dematerialised form**

1. Kindly update your change of address and bank details/ particulars alongwith MICR Code, Core Banking Account Number with your Depository Participant (DP) to get corporate benefits and to serve you better.
2. Kindly quote your Client ID along with DP\_ID in all your correspondence/ communication with the Company and/or Registrar and Share Transfer Agent.

**For Dividend (Physical and Demat Shares)**

1. If you are holding unpaid dividend warrants/ warrants not received by you for the financial year as referred in notes to notice of the meeting, you are requested to send the same for revalidation/ apply for duplicate dividend warrants. In view of provisions of Section 205A and Section 205-C of the Companies Act, 1956 the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and the Protection Fund. Thereafter, members shall not be able to register their claim in respect of their unencashed dividends.
2. Kindly note that as per RBI notification, with effect from October 1, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform with immediate effect. The advantages of NECS over ECS include faster credit of remittances to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies.
3. NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.
4. In this regard, if you hold shares in electronic form, please furnish the new Bank Account Number allotted to you by your bank after implementation of CBS, along with a photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP), at your earliest convenience and for shares held in physical form to Registrar and Share Transfer Agent M/s. Jupiter Corporate Services Limited.
5. If you do not provide your new account number allotted after implementation of CBS by your bank to your DP, please note that ECS to your old account may either be rejected or returned.
6. Please ignore the instruction above in case you have already submitted the necessary details to your DP/ Registrar and Share Transfer Agent of the Company as the case may be.

**Registrar And Share Transfer Agent :**

Kindly note that Registrar and Share Transfer Agent of the Company is M/s. Jupiter Corporate Services Limited having its office at "Ambuja Tower" , Opp. Memnagar Fire Station, PO. Navjivan, Ahmedabad 380014 and hence members/ beneficial owners of shares are requested to address all correspondence to M/s. Jupiter Corporate Services Limited and/or to the Company only.

# Gujarat Ambuja Exports Limited

Regd. Office: "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad-380 014  
Phone: 26423316-20 , 26405535-37 & 39 • Fax: 079-26423079 • E-mail : [info@ambujagroup.com](mailto:info@ambujagroup.com) • Website: [www.ambujagroup.com](http://www.ambujagroup.com)

## 19<sup>th</sup> ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS	
Mr. Vijay Kumar Gupta, Chairman & Managing Director Mr. Manish V Gupta, Managing Director Mr. Mohit V Gupta, Joint Managing Director Mr. Sandeep N Agrawal , Whole Time Director Mrs. Sulochana V Gupta Mr. Jagdish Sharan Varshneya Mr. Chaitan M Maniar Mr. Prakash G Ramrakhiani Mr. Ashok C Gandhi Mr. Rohit J Patel	
<b>Vice President (Finance &amp; Accounts)</b> Mr. N Giridhar <b>Company Secretary</b> Mr. Paras Mehta	
<b>AUDITORS</b> M/s. Kantilal Patel & Co., Chartered Accountants, (A member firm of Polaris International, USA).	
<b>BANKERS</b> 1. Bank of India                      2. Punjab National Bank 3. Union Bank of India            4. HDFC Bank Limited 5. State Bank of Mysore	
<b>SHARE TRANSFER AGENT (PHYSICAL &amp; ELECTRONIC FORM)</b> Jupiter Corporate Services Limited "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad – 380 014.	
<b>SUBSIDIARY:</b> Gujarat Ambuja International Pte. Ltd , Singapore	
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PLANTS	
Sr	Name of Unit and Location
1	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	Solvent Extraction Unit VI Dist. Mandsour, Madhya Pradesh
10	Wheat Processing Unit Kadi, Dist Mehsana, Gujarat
11	Cattle Feed Unit Kadi, Dist Mehsana, Gujarat
12	Wheat Processing Unit Pithampur, Dist Dhar (M.P)
13	Maize Processing Unit Plot C-50, ELDECO, SIDCUL Industrial Park, Sitarganj, Dist. Udham Singh Nagar, Uttarakhand
14	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 h. Survey No. 115/P, Village Mindiyali, Tal : Anjar, Dist. Kutch.

SCHEDULE OF ANNUAL GENERAL MEETING		
<b>Day</b> : Tuesday	<b>Date</b> : 28 <sup>th</sup> September, 2010	<b>Time</b> : 11.00 a.m.
<b>Venue</b> : H.T. Parekh Hall, 1st Floor, Ahmedabad Management Association (AMA), AMA Complex, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015.		



## Notice

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of Members of GUJARAT AMBUJA EXPORTS LIMITED will be held on Tuesday, the 28<sup>th</sup> September 2010 at 11.00 a.m. at H.T. Parekh Hall, 1st Floor, Ahmedabad Management Association (AMA), AMA Complex, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015 to transact the following business.

### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2010, Profit & Loss Account for the year ended on that date, Directors' Report and Auditors' Report thereon.
- To confirm the payment of interim dividend on Equity Shares for the financial year 2009-10 as final dividend for F.Y. 2009-10.
- To appoint a Director in place of Mr. C. M. Maniar, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr. J. S. Varshneya, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr. P. G. Ramrakhiani, who retires by rotation and being eligible, offers himself for reappointment.
- 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. Siddharth Agrawal, Vice President (Works) 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 and other applicable provisions, if any, of the Companies Act, 1956 as recommended by the Remuneration and Selection Committee of the Board of Directors and subject to the approval of the Central Government under section 314 (1B) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the payment of increased remuneration of Rs. 1,00,000/- per month for a period of 5 years with effect from 1st October, 2010, within the overall maximum ceiling of Rs. 2,00,000/- per month (plus encashment of leave and retirement benefits as per policy of the Company from time to time) to Mr. Siddharth Agrawal, Vice President (Works), a relative of Mr. Sandeep Agrawal, Whole Time Director of the Company, as may be decided by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to accept on behalf of the Company any modifications or variation in terms and conditions in the said increase and do all such acts, deeds, things and matters as may be requisite to give effect to this resolution."

Place : Ahmedabad  
Date : July 28, 2010

By order of the Board  
Vijay Kumar Gupta  
Chairman and Managing Director

### NOTES :

- 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.
- Register of members and share transfer books of the Company will remain closed from 20<sup>th</sup> September 2010 to 28<sup>th</sup> September 2010 (both days inclusive).
- Unclaimed dividends upto 2002-2003 have been deposited with the Central Government and/or Investors Education and Protection Fund, as the case may be. Unclaimed dividend for the year 2003-2004 & 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
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 Interim: Note:1	01.02.2008	27.02.2008	22.01.2015	27.02.2015
2007-08	29.09.2008 (Final)	04.10.2008	05.11.2008	29.09.2015	05.11.2015
2008-09	24.09.2009 Interim :Note:2	16.05.2009	04.06.2009	29.04.2016	04.06.2016
2009-10	30.01.2010 Interim :Note:3	15.02.2010	08.03.2010	30.01.2017	08.03.2017

### Note:

- 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 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008
- 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 was paid as interim dividend and the same was approved/ confirmed by the members at the 18<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2009
- For F.Y. 2009-10 Interim Dividend @ 20% p.a. was approved at the meeting of Board of Directors held on 30.01.2010 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. 2009-10 is sought for, at the ensuing Annual General Meeting.





4. 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.
5. 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.
6. Appointment/ Re-appointment of Directors (Pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Mr. C. M. Maniar, Mr. J. S. Vashneya and Mr. P. G. Ramrakhiani 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) Mr. Chaitan M. Maniar, aged 74 years is M.A. (Economics & Politics), B.Com and LL.B. He is a Solicitor and Advocate and is a partner of Crawford Bayley & Co., a leading firm of Solicitors. He possesses vast and rich experience in the legal profession. He is on the Board of the Company since 30<sup>th</sup> March, 2002. He is Director in Akzo Nobel Coatings India Pvt. Ltd., Amsar Private Limited, Chemtex Engineering of India Limited, Foods & Inns Limited, Godfrey Phillips India Limited, HGC Foundation Private Limited, Hindalco Industries Limited, Indo-Euro Investment Company Limited, Indian Card Clothing Company Limited, Machine Tools (India) Limited, Multi Commodity Exchange of India Limited, MCX Stock Exchange Limited, Northpoint Trading and Research Pvt. Ltd, Pioneer Investcorp Limited, Sudal Industries Limited, TCPL Packaging Limited, Varun Shipping Company Limited and Vadilal Industries Limited. He also holds Membership of various committees of the companies such as member of Audit Committee of Hindalco Industries Limited, Varun Shipping Company Limited, TCPL Packaging Limited, Pioneer Investcorp Limited. He also holds chairmanship/ membership of Shareholders'/ Investors' Grievance Committee and Share transfer committee of Hindalco Industries Limited, Varun Shipping Company Limited (Chairman), Pioneer Investcorp Limited, Godfrey Phillips India Limited and TCPL Packaging Limited.

He does not hold any shares of Gujarat Ambuja Exports Limited as on 31.03.2010.

- (b) Mr. Jagdish Sharan Varshneya, aged 80 years is M.Com. LL.B. He started his career as lecturer in Nagpur College of Commerce and Economics in 1950. In 1953 he joined State Bank of India and served in various positions including Deputy Managing Director (Development and Planning). From 1985 to 1989 he was Chairman and Managing Director of Punjab National Bank. During his tenure as banker he received over 20 awards for his individual excellence in various fields of banking. He also acted as president, chairman, member and trustee of various associations, institutions, banks and other organisations.

He is Director of the Company since 1998. He is also Director in Indian Toners & Developers Ltd., Sutlej Industries Ltd., Universal Starch Chem Allied Ltd., Ganganjay Commotrade Pvt. Ltd., Jagesh Commercial Pvt. Ltd., Maina Polyester Pvt. Ltd., Swan Securities Pvt. Ltd. He is also chairman of the Audit Committee of the Company, Sutlej Industries Limited and Universal Starch Chem Allied Limited.

He was holding 2000 Equity shares of Gujarat Ambuja Exports Limited as on 31.03.2010.

- (c) Mr. Prakash G Ramrakhiani, aged 69 years is retired IAS officer and is on the Board of the Company since 8.3.2003. He had joined Indian Administrative Services in 1964 and worked in various Government Departments including as Collector, District Development Officer, Deputy Secretary, Joint Secretary and Director. He had also headed public sector corporations as Managing Director. He served as Managing Director of private sector power utility company for 2 years. He is having rich experience in the industrial management and functions at executive level. He is also Director and member of Audit Committee of Eastern Medikit Pvt. Ltd.

He does not hold any shares in Gujarat Ambuja Exports Limited as on 31.03.2010.

## **ANNEXURE TO NOTICE**

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

#### **ITEM NO. 7**

#### **Revision in terms of remuneration of Mr. Siddharth Agarwal, Vice President (Works) subject to approval of Central Government**

Pursuant to provisions of Section 314(1B) of the Companies Act, 1956, holding of any office and/or place of profit by a relative of Director at remuneration of Rs. 50,000/- p.m. or above requires prior approval of members of the Company by way of special resolution at the General Meeting and also approval of the Central Government.

Mr. Siddharth Agrawal, aged 32 is a Commerce graduate having more than 6 years experience in the fields of management, marketing, and administration.

Considering the knowledge, experience, potential to contribute for growth of the Company and the current market trends for remuneration in the industry, the Remuneration and Selection Committee and Board of Directors at their respective meetings held on 28<sup>th</sup> July 2010, recommended the increase in remuneration of Mr. Siddharth Agrawal from Rs. 45,000 /- per month to Rs. 1,00,000/- per month (plus encashment of leave and retirement benefits as per policy of the Company from time to time) with effect from 1st October, 2010 in the scale, as may be fixed but not exceeding Rs. 2,00,000/- per month.

Mr. Sandeep Agrawal, Whole Time Director of the Company being related to Mr. Siddharth Agrawal, may be deemed to be considered as concerned or interested in the resolution set out at item No. 7. Save as aforesaid, none of the other Directors of the Company is concerned or interested in the said Resolution.

The Directors recommend the passing of the resolution proposed at Item No. 7 of the accompanying Notice.

**By order of the Board**

Vijay Kumar Gupta

Chairman and Managing Director

Place : Ahmedabad  
Date : July 28, 2010



## GUJARAT AMBUJA EXPORTS LIMITED

### Directors' Report

To,  
The Members,  
Gujarat Ambuja Exports Limited.

Your Directors have pleasure in presenting 19<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL HIGHLIGHTS

The summary of the financial results is given below:

(Rs. in Crores)

PARTICULARS	2009-10	2008-09
<b>NET TURNOVER &amp; OTHER INCOME</b>	<b>1414.69</b>	<b>1606.05</b>
(INCLUDING EXPORTS- FOB VALUE)	<b>412.92</b>	<b>618.60</b>
<b>PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES</b>	<b>117.50</b>	<b>92.06</b>
LESS:		
INTEREST & FINANCE CHARGES	8.74	11.00
DEPRECIATION	27.91	36.36
PROVISION FOR TAXATION (INCL.DEFERED TAX)	30.00	21.22
ADD : PRIOR PERIOD ITEMS	9.17	0.10
<b>NET PROFIT FOR THE YEAR</b>	<b>60.02</b>	<b>23.58</b>
ADD: BALANCE OF PROFIT CARRIED FORWARD	190.70	175.39
<b>TOTAL PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>250.72</b>	<b>198.97</b>
<b>APPROPRIATED AS UNDER</b>		
INTERIM DIVIDEND	5.53	5.53
DIVIDEND DISTRIBUTION TAX ON INTERIM DIVIDEND	0.94	0.94
TRANSFER TO GENERAL RESERVE	4.55	1.80
<b>TOTAL APPROPRIATION</b>	<b>11.02</b>	<b>8.27</b>
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>239.70</b>	<b>190.70</b>

### DIVIDEND

The Board of Directors had declared interim dividend @ 20% p.a. for F.Y. 2009-10 at its meeting held on 29<sup>th</sup> January, 2010 and the same had been paid to eligible members and/or beneficial owners.

The total cash outflow for dividend during the year was Rs. 647.46 lacs (P.Y. 647.46 lacs) including dividend distribution tax of Rs. 94.05 lacs (P.Y. 94.05 lacs).

In view of conserving resources for future expansion plans of the Company, your Directors do not recommend any further dividend for the financial year 2009-10. The members are requested to approve the interim dividend for F.Y. 2009-10 as final dividend.

### TRANSFER TO RESERVES

The Company proposes to transfer Rs. 455.00 lacs to the General Reserve out of the total amount available for appropriations and an amount of Rs. 23970.38 lacs is proposed to be carried forward to Balance sheet.

### BUSINESS OPERATIONS

#### A. Operational Performance

The last financial year was more towards "Stability" for most of the Economies, particularly India. After breath taking fear of recession and slow down during later part of financial year 2008-09, the year 2009-10 witnessed stability for most of the business segments. Your Company is not an exception to it. During the last financial year, the performance of your Company in terms of volume has remained muted.

The Company recorded a turnover of Rs. 1408.56 crore as compared to Rs. 1601.62 crores during the previous financial year. Export sales (F.O.B. Value) for the year 2009-10 was 412.82 crores as compared to 618.60 crores for the year 2008-09. However, in terms of earnings, the Company has performed on better scales as compared to previous financial year. The Company achieved Earning before Interest, Depreciation and Tax (EBIDTA) of Rs. 117.50 crores for the year 2009-10 against that of Rs. 92.06 crores for the year 2008-09.

The Cash Profit, Profit after tax and EPS for the year remained Rs. 108.76 crores, Rs. 60.02 crores and Rs. 4.34 per share respectively.

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

#### B. Capital Projects for the year 2009-10

The Board of Directors is glad to inform that the Company successfully completed and commenced operation at new solvent extraction and refinery at Mandsour in the State of Madhya Pradesh during last month of the financial year. As a part of Company's continuous efforts to contribute to green environment, the Company has made investment in one more windmill which was made operational during September 2009. Other than above, the Company has made further investment at Existing units of all segments 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 totaling Rs. 72.68 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 discussion and analysis with detailed highlights of performance of different divisions of the Company is annexed 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 got sanction for a fresh term loan under TUF Scheme amounting to Rs. 7.50 crores for upgradation of its Cotton Yarn Division. The Company is regular in repayment of all term loans.

### 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. During the year, Mr. Sandeep Agrawal, Director of the Company is appointed as Whole Time Director w.e.f. 1<sup>st</sup> August, 2009.

Pursuant to the provisions of the Companies Act and Articles of Association of the Company, Mr. C. M. Maniar, Mr. J. S. Varshneya and Mr. P. G. Ramrakhiani, the Directors of the Company are liable to retire by rotation and being eligible, have offered themselves for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (1) that in respect of the accounts for the financial year ended 31<sup>st</sup> March, 2010 the applicable accounting standards have been followed;
- (2) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss account of the Company for the year under review;
- (3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) that the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2010 on a 'going concern' basis.

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

The information regarding above particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is attached as **Annexure-C** to this report and forms part of this report.

### PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

The details of employee drawing Remuneration more than Rs. 24,00,000/- per annum, where employed for full year or Rs. 2,00,000/- per month, where employed for a part of the year pursuant to requirement of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is attached as **Annexure-D** to this report and forms part of this report.

The Cash flow and Business Profile apart from other statutory information as above is attached.

### AUDITORS AND AUDITORS' REPORT

M/s. Kantilal Patel & Company, Chartered Accountants, the present Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment. They have furnished a Certificate to the effect that their proposed re-appointment, if made at the ensuing Annual General Meeting, will be within the limits specified U/s. 224(1)(B) of the Companies Act, 1956.

The Auditors' report is not qualified and is self-explanatory and does not require any further clarifications.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Industrial Relations of the Company with its personnel has continued to be cordial and amicable. Your Directors acknowledge and appreciate the efforts and dedication of employees to the Company. Your Directors wish to place on record the co-operation received from the staff and workers at all levels and at all units.

### OTHER DISCLOSURE OF INFORMATION AS PER LISTING AGREEMENT WITH STOCK EXCHANGES

#### Listing

At present, Equity Shares of the Company are listed on Ahmedabad Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid annual Listing fees due for the year 2010-2011 to respective Stock Exchanges.

#### Dematerialisation

The Equity Shares of the Company are under compulsory demat from 24<sup>th</sup> July, 2000. The Company has already entered into agreement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) and ISIN No. INE036B01022 has been allotted to the Company for sub-divided Equity Shares of Rs. 2/- each.

### CORPORATE SOCIAL RESPONSIBILITY

The function of Corporate Social Responsibility has been actively pursued during the year. The Company has initiated various community welfare activities in areas of health, safety, environment, community development and support programs at and around its manufacturing locations.

### ENHANCING SHAREHOLDER VALUE

The Company accords top priority for creating and enhancing share holder value. All the company's operations are guided and aligned towards maximizing share holder's value. New project for capacity expansion and cost reduction measures are taken up to enhance the growth in sales and profitability.

### APPRECIATION & ACKNOWLEDGEMENT

Your Directors are pleased to record their appreciation & acknowledge the continuous support of the Banks, Departments of Central Government & State Government, Office of the Industries Commissioner, Office of the Development Commissioner, GEDA, Other Government Departments, Esteemed Customers and Suppliers and dedicated staff for their continuous co-operation and contribution to the growth of the Company.

For and on behalf of the Board of Directors

Vijay Kumar Gupta

Chairman & Managing Director

Place: Ahmedabad

Date : July 28, 2010





## ANNEXURE-A TO DIRECTORS' REPORT : CORPORATE GOVERNANCE

Corporate Governance is globally recognized as a fundamental component for the sustained growth of every corporate entity. Sound governance practices and responsible corporate behaviour contribute to superior long-term performance of companies. Adoption to changing times is the key to corporate growth and long term survival. In fact, better governance practices enable corporates to introduce more effective internal controls suitable to changing and growing nature of business operations. In India, corporates have adopted better governance practices and have demonstrated openness in their dealings with stakeholders across the board. This has been augmented by regulatory authorities introducing and improving governance practices for Indian corporates over the last decade.

### 1. Company's philosophy on code of Corporate Governance

At Gujarat Ambuja Exports Limited, thrust is to achieve good governance by ensuring truth, transparency, accountability and responsibility in all dealings with employees, shareholders, consumers, suppliers and community at large. The Corporate Governance is ongoing process and the Company has always focused on good corporate governance, which is a key driver of sustainable corporate growth, long term value creation and trust. Even in fiercely competitive business environment, the Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability.

Corporate Governance is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to consumer need, shareholder value creation and employee growth, thereby satisfying all its stakeholders while minimizing risks. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, and to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an outperforming organization. The Company has adopted the Code of Conduct and Business Ethics for Employees, Board Members and Senior Managerial Personnel and also the Whistle Blower Policy in due compliance of revised Clause 49 of the Listing Agreements with Stock Exchanges and in pursuit of excellence in corporate governance.

Above all else, we believe that corporate governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and sense of justice. Achieving this balance depends upon how accountable and transparent company is. Accountability improves decision making. Transparency helps to explain the rationale behind decisions and thereby builds stakeholders confidence.

### 2. Board of Directors

During the year, till 31<sup>st</sup> May, 2009, the Board of Directors of the Company comprised of 11 (Eleven) members. The Company has Executive Chairman and out of 11 (Eleven) Directors on the Board, 7 (Seven) were Non-Executive Directors and out of 7 (Seven) Non- Executive Directors, 6 (Six) Directors (more than 50% of total) were Independent Directors.

After 31<sup>st</sup> May, 2009, the Board of Directors of the Company comprised of 10 (Ten) members. The Company has Executive Chairman and out of 10 (Ten) Directors on the Board, 6 (Six) Directors (more than 50%) were Non-executive Directors and out of 6 (Six) Non-Executive Directors, 5 (Five) Directors (more than 50% of total) were Independent Directors.

At the meeting of Board of Directors held on 23<sup>rd</sup> July, 2009, Mr. Sandeep Agrawal was appointed as a Whole Time Director w.e.f. 1<sup>st</sup> August, 2009 and the said appointment was approved by members at the 18<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> September, 2009.

Thus, composition of the Board is in conformity with the provisions of the Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

#### (A) The names and categories, inter personal relationship of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships in other Companies and Committee memberships/chairmanships held by them as on 31.03.2010 are given below

Name of Director	Category & Inter Personal relationship as on 31.03.2010	Attendance Particulars		No. of Directorships and Committee membership/ chairmanship (as on 31.03.10)		
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships
Mr. Vijay Kumar Gupta	Executive Director & Promoter Husband of Mrs. Sulochana V Gupta and father of Mr. Manish V Gupta and Mr. Mohit V Gupta	6	Yes	11 (including 9 pvt limited)	1	Nil
Mr. Manish V Gupta	Executive Director & Promoter Son of Mr. Vijay Kumar Gupta and Mrs. Sulochana V Gupta and brother of Mr. Mohit V Gupta	6	Yes	9 (including 4 pvt limited)	Nil	Nil
Mrs. Sulochana V Gupta	Non-Executive Director & Promoter Wife of Mr. Vijay Kumar Gupta and mother of Mr. Manish V Gupta and Mr. Mohit V Gupta	6	No	7 (including 5 pvt limited)	Nil	1
Mr. Parashottam G Makhija (Up to 31/05/2009)	Executive & Non Independent Director Not related	2	N.A.	1 Pvt. Ltd	Nil	Nil
Mr. Sandeep N Agrawal (Whole Time Director (w.e.f. 01/08/2009)	Executive & Non Independent Director Not related	5	No	None	Nil	Nil
Mr. Jagdish Sharan Varshneya	Non-Executive & Independent Director Not related	5	Yes	7 (including 4 pvt limited)	Nil	3
Mr. Chaitan M Maniar	Non-Executive & Independent Director Not related	4	Yes	18 (including 4 pvt limited)	8	1



Name of Director	Category & Inter Personal relationship as on 31.03.2010	Attendance Particulars		No. of Directorships and Committee membership/ chairmanship (as on 31.03.10)		
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships
Mr. Prakash G Ramrakhiani	Non-Executive & Independent Director Not related	6	Yes	1 pvt limited	1	Nil
Mr. Ashok C Gandhi	Non-Executive & Independent Director Not related	6	Yes	7	9	Nil
Mr. Rohit J Patel	Non-Executive & Independent Director Not related	5	Yes	3 (including 1 pvt limited)	2	Nil
Mr. Mohit V Gupta	Executive & Non Independent Director Son of Mr. Vijay Kumar Gupta and Mrs. Sulochana V Gupta and brother of Mr. Manish V Gupta	5	Yes	2 pvt limited	Nil	Nil

Details of committee membership include membership/ chairmanship of Audit Committee and Shareholders'/ Investors' Grievances Redressal committee only as per requirement of Clause 49 of Listing Agreement.

**(A) Number of Meetings of the Board of Directors held and the Dates on which held**

During the financial year 2009-10, Six (6) meetings of the Board of Directors were held on the following dates.

Sr.No	Date of Meeting	Sr.No.	Date of Meeting (contd.)	Sr.No.	Date of Meeting (contd.)
1	29.04.2009	3	23.07.2009	5	24.10.2009
2	29.05.2009	4	24.09.2009	6	30.01.2010

Intimation of the Board meetings and Committee meetings are given well in advance and communicated to the Directors. Normally, Board Meeting and Committee meetings are held at the Registered Office of the Company. The Agenda along with the explanatory notes are sent in advance to the all Directors. Additional meetings of the Board are held when deemed necessary by the Board.

**(C) Information placed before the Board of Directors**

All such matters as are statutorily required as per Annexure 1A to Clause 49 and also matters relating to Corporate Plans, Mobilisation of Funds, Investment/ Loans, Risk Management Policy, Capital Expenditure etc. are considered by the Board. Besides, the following information is also regularly placed before the Board for its consideration:

1. Annual Operating Plans and budgets and any updates.
2. Capital budgets and any updates.
3. Minutes of Meetings of committees of the Board.
4. Quarterly results of the Company.
5. Material Transactions, which are not in the ordinary course of business.
6. Compliance with all regulatory and statutory requirements.
7. Fatal accidents, dangerous occurrences, material effluent pollution problems.
8. Recruitment and remuneration of senior officers just below the Board level.
9. Investment/disinvestments.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

During 2009-10, the Company did not have any material pecuniary relationship or transactions with Non – Executive Directors.

The Company has adopted the Code of Conduct and Business Ethics for Executive and Non- Executive Directors and Senior Management Personnel. The Company has received confirmations from all the Directors of the Company as well as Senior Management Personnel, one level below the Managing Directors, regarding compliance of the Code during the year under review. The Code of Conduct and Business Ethics adopted by the Company are posted on the website of the Company. The declaration by the Chairman and Managing Director confirming the same is annexed to this report.

As required under Clause 49 IV (G)(i), particulars of Directors retiring by rotations and seeking re-appointment are given in the Notes to the Notice of the Annual General Meeting to be held on 28<sup>th</sup> September, 2010.

**3. Audit Committee**

- (i) The Company has constituted an Audit Committee as per the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement on 31<sup>st</sup> January 2001 and constitution was changed from time to time as per necessity.
- (ii) The items of reference to the Committee are in accordance with paragraph C and D of Clause 49(II) of the Listing Agreement entered into with the Stock Exchanges and major terms of reference, inter alia, include the following:
  - Reviewing Company's Financial Reporting Process:
  - Reviewing the Annual Financial Statements.
  - Reviewing the Internal Audit Systems, the adequacy of Internal Control Systems, and
  - Reviewing the Company's Financial and Risk Management Policies.