

# Committed to Growth



**GUJARAT AMBUJA  
EXPORTS LIMITED**



21<sup>st</sup> Annual Report 2011-12

Well diversified still focused on Agro Processing





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

<b>BOARD OF DIRECTORS</b>	
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 (upto 18-11-2011) Mr. Sudhin B. Choksey (w.e.f. 06-02-2012) Mr. Chaitan M. Maniar Mr. Prakash G. Ramrakhiani Mr. Ashok C. Gandhi Mr. Rohit J. Patel	
<b>Chief Financial Officer</b> Mr. N. Giridhar <b>Company Secretary</b> Mr. Manan C. Bhavsar	
<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 6. Yes Bank Limited	
<b>SHARE TRANSFER AGENT (PHYSICAL &amp; ELECTRONIC FORM)</b> M/s. Jupiter Corporate Services Limited "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad – 380 014.	
<b>WHOLLY OWNED SUBSIDIARY</b> Gujarat Ambuja International Pte. Ltd., Singapore	
<b>CONTENTS</b>	<b>PAGE NO.</b>
Company Information & Index .....	1
Notice of Annual General Meeting .....	2-8
Memorandum on Green Initiative .....	8
Directors' Report & Annexures .....	9-22
Auditors' Report .....	23-25
Balance Sheet .....	26
Statement of Profit & Loss Account .....	27
Cash Flow Statement .....	28
Significant Accounting Policies .....	29-30
Notes to Financial Statements .....	31-44
Statement of Financial Information of Subsidiary .....	45
Auditors' Report on Consolidated Financial Statements .....	45
Consolidated Balance Sheet .....	46
Consolidated Statement of Profit & Loss Account .....	47
Consolidated Cash Flow Statement .....	48
Notes to Financial Statements & Significant Accounting Policies .....	49-59
Shareholders' Referencer .....	60
Proxy Form and Attendance Slip .....	60

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, Madhya Pradesh
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 Madhya Pradesh
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. 431/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.

<b>Day</b> : Saturday	<b>Date</b> : 29 <sup>th</sup> September, 2012	<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.		







## 1. Remuneration

- 2. Overall Remuneration :**

### 3. Minimum Remuneration :

#### 4. Other Terms and Conditions:

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

**10. 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**:

## 1. Remuneration

- 2. Overall Remuneration :**

### 3. Minimum Remuneration :

**4. Other Terms and Conditions:**

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

(3)



"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."

**11. Revision in Terms of Remuneration of Mr. Sandeep Agrawal, as the 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 in partial modification of earlier resolution passed by the members at the 18<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2009 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. Sandeep Agrawal, Whole Time 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 1<sup>st</sup> October, 2012 for the remaining tenure of his appointment i.e. upto 31<sup>st</sup> July, 2014 and also as set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Sandeep Agrawal, as submitted to this meeting and initialled 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. Sandeep Agrawal:

**1. Remuneration**

**I Salary :** ₹ 2,00,000/- per month upto a maximum of ₹ 4,00,000/- per month with increments as may be decided by the 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 ₹ 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:**

Other terms and conditions of appointment of Mr. Sandeep Agrawal, Whole Time Director as approved by the members at the 18<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2009 and as mentioned in the original agreement remains unchanged."

"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, Ultrahand Unit, Mandsour Unit 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."

**12. Re-appointment of Chairman Mr. Vijay Kumar Gupta, as 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 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 or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to the Chairman Mr. Vijay Kumar Gupta as Managing Director of the Company from 1<sup>st</sup> April, 2013 upto period ended 31<sup>st</sup> March, 2018 on the terms and conditions as mentioned in the Agreement to be entered into between the Company and Mr. Vijay Kumar Gupta, a draft whereof duly initialled 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 alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner as may be agreed upon by the Board of Directors and Mr. Vijay Kumar Gupta within the limits prescribed under Schedule XIII to the said Act or any statutory amendment(s) and/or modification(s) thereto."

"RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Vijay Kumar Gupta as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed under Clause A of Para 1 read with Para 2 of Section II Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided in the Agreement aforesaid when the profits of the Company are adequate."

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

"RESOLVED FURTHER THAT Mr. Vijay Kumar Gupta, Chairman and Managing Director of the Company be and is hereby authorised, empowered and vested with the substantial powers of the Management of the Company for carrying out the affairs and activities 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."

**By Order of the Board**

Place : Ahmedabad

Date : 21<sup>st</sup> July, 2012

*Vijay Kumar Gupta*  
Chairman and Managing Director





committees of the companies such as member of Audit Committee of Hindalco Industries Limited, Varun Shipping Company Limited, TCPL Packaging Limited and 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, TCPL Packaging Limited, Multi Commodity Exchange of India Limited and MCX Stock Exchange Limited.

He is a Non-Executive & Independent Director and not related with any other Director(s) of the Company. He does not hold any equity shares of Gujarat Ambuja Exports Limited.

- (c) Mr. Prakash G. Ramrakhiani, aged 72 years is B.A.(HONS.)-ECONOMICS/ M.A.-ECONOMICS and retired IAS officer and is on the Board of the Company since 8.3.2003 as an independent professional Director. 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 in Ministries of Agriculture, Dairy and Animal Husbandry. 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 of Gandhinagar Hotels Ltd.

He is a Non-Executive & Independent Director and not related with any other Director(s) of the Company. He does not hold any equity shares of Gujarat Ambuja Exports Limited.

13. Appointment of Mr. Sudhin B. Choksey as Director of the Company (Information pursuant to Clause 49 of Listing Agreement)

The Company has received a valid notice in writing from a member proposing the candidature of Mr. Sudhin B. Choksey for the office of Director of the Company under provisions of Section 257 of the Companies Act, 1956. The Board of Directors of the Company recommends his appointment. The information or details to be provided for the aforesaid Director under the corporate governance code are as under:

Mr. Sudhin Choksey, aged 58 years is a fellow member of the Institute of Chartered Accountants of India. He has more than 30 years of working experience of handling functional areas of finance, commercial and general management in India and abroad. He has been appointed as an Additional Director on the Board of Directors of the Company w.e.f. 6<sup>th</sup> February, 2012. He is Managing Director of GRUH Finance Ltd. and also Director in Deepak Nitrite Limited and Hunnar Shaala Foundation for Building Technology and innovations. He is a Chairman of Audit Committee of the Company. He is also member of Shareholders' / Investors' Committee of GRUH Finance Ltd., Audit Committee of Deepak Nitrite Limited and Remuneration Committee of Hunnar Shaala Foundation for Building Technology and innovations. He is a Non-Executive & Independent Director and not related with any other Director(s) of the Company. He does not hold any equity shares of Gujarat Ambuja Exports Limited.

14. Re-appointment of Mr. Vijay Kumar Gupta, Chairman and Managing Director of the Company (Information pursuant to Clause 49 of Listing Agreement)

Resolution is placed for approval of members of the Company at the ensuing Annual General Meeting for re-appointment of Mr. Vijay Kumar Gupta as Managing Director of the Company from 1<sup>st</sup> April, 2013 upto period ended 31<sup>st</sup> March, 2018. The Board of Directors of the Company recommends his re-appointment. The information or details to be provided for the aforesaid Director under the corporate governance code are as under:

Mr. Vijay Kumar Gupta is aged 63 years with qualification of B.D.S. and managerial experience of 40 years. He is well-versed in understanding Agri products markets, is also equally excellent in ensuring growth by improving productivity, Cost control, Large size operations & consistently improving quality. 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) Pvt. Ltd. and Esveegee Starch and Chemicals Pvt. Ltd. He also holds Chairmanship of Share Transfer committee and membership of Shareholders' / Investors' Grievances Redressal Committee of the Company. He is related with Mr. Manish Gupta, Mrs. Sulochana Gupta and Mr. Mohit Gupta, the Directors of the Company. He holds 3,90,23,083 Equity Shares of ₹ 2/- each of Gujarat Ambuja Exports Limited.

#### ANNEXURE TO NOTICE

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

##### ITEM NO. 7

##### Appointment of Shri Sudhin B. Choksey as Director of the Company

The Board of Directors of the Company at its meeting held on 6<sup>th</sup> February, 2012 has appointed Mr. Sudhin B. Choksey as an Additional Director on the Board of Directors of the Company. Pursuant to the provisions of Article 124 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 he hold his office upto the date of ensuing Annual General Meeting. The Company has received a valid notice in writing from a member proposing the candidature of Mr. Sudhin B. Choksey for the office of Director of the Company under provisions of Section 257 of the Companies Act, 1956.

Mr. Sudhin Choksey, aged 58 years is a fellow member of the Institute of Chartered Accountants of India. He has more than 30 years of working experience of handling functional areas of finance, commercial and general management in India and abroad. He was appointed as C.E.O. of GRUH Finance Ltd. in the year 1998 and then elevated to Managing Director of GRUH Finance Ltd. in the year 2000. He is also Director in Deepak Nitrite Limited and Hunnar Shaala Foundation for Building Technology and innovations. He is a Chairman of Audit Committee of the Company. He is also member of Shareholders' / Investors' Committee of GRUH Finance Ltd., Audit Committee of Deepak Nitrite Limited and Remuneration Committee of Hunnar Shaala Foundation for Building Technology and innovations. He is a Non-Executive & Independent Director and not related with any other Director(s) of the Company. He is holding Nil equity shares of Gujarat Ambuja Exports Limited.

Your Directors, recommend the resolution at item No. 7 for your approval. Mr. Sudhin Choksey may be considered as concerned or interested in the resolution set out at Item No. 7. None of other Directors of the Company are, in any way, concerned or interested in the resolution.

##### ITEM NOS. 8 to 10

##### 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 18<sup>th</sup> April, 2008 to 31<sup>st</sup> March, 2013 was approved by the members of the Company at the 16<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2007 at salary of ₹ 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. The Shareholders of the Company at their 18<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2009 revised remuneration to ₹ 4,00,000/- p.m. and perquisites & allowances and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956 payable to Mr. Vijay Kumar Gupta as Managing Director of the Company w.e.f. 1<sup>st</sup> August, 2009 for the remaining tenure of his appointment i.e. upto 31<sup>st</sup> March, 2013.

Re-appointment of Mr. Manish V. Gupta as Managing Director of the Company for the period from 28<sup>th</sup> December, 2008 to 27<sup>th</sup> December, 2013 was approved by the members of the Company at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008 at salary of ₹ 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. The Shareholders of the Company at their 18<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2009 revised remuneration to ₹ 4,00,000/- p.m. and perquisites & allowances and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956 payable to Mr. Manish V. Gupta as Managing Director of the Company w.e.f. 1<sup>st</sup> August, 2009 for the remaining tenure of his appointment i.e. upto 27<sup>th</sup> December, 2013.

Appointment of Mr. Mohit V. Gupta as Joint Managing Director of the Company for the period from 1<sup>st</sup> August, 2008 to 31<sup>st</sup> July, 2013 was approved by the members of the Company at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008 at salary of ₹ 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. The Shareholders of the Company at their 18<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2009 revised remuneration of ₹ 1,50,000/- p.m. up to maximum of ₹ 2,00,000/- p.m. with increments as may be decided by the Board along with perquisites & allowances and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956 payable to Mr. Mohit V. Gupta as Joint Managing Director of the Company w.e.f. 1<sup>st</sup> August, 2009 for the remaining tenure of his appointment i.e. upto 31<sup>st</sup> July, 2013.

Considering the increase in activities, responsibilities and contribution of Mr. Vijay Kumar Gupta, Mr. Manish V. Gupta and Mr. Mohit V. Gupta, Remuneration Committee and Board of Directors of the Company at their respective meetings held on 21<sup>st</sup> July, 2012 approved revision in terms of their remuneration w.e.f. 1<sup>st</sup> October, 2012 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 63 years with qualification of B.D.S. and managerial experience of 40 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) Pvt. Ltd. and Esveegee Starch and Chemicals Pvt. Ltd. He also holds Chairmanship of Share Transfer committee and membership of Shareholders' / Investors' Grievances Redressal Committee of the Company. He holds 3,90,23,083 Equity Shares of ₹ 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2012.

Mr. Manish V. Gupta, aged 40 years, with graduation in commerce and managerial experience of 21 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 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 3,42,36,594 Equity shares of ₹ 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2012.

Mr. Mohit V. Gupta, aged 31 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 in 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 ₹ 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2012.

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 and draft agreements. 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. 8. 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. 9. 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. 10. 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. 8, 9 and 10 of the Notice.

#### ITEM NO. 11

##### Revision in terms of Remuneration to Mr. Sandeep Agrawal as the Whole Time Director of the Company

Appointment of Mr. Sandeep Agrawal as Whole Time Director of the Company for the period from 1<sup>st</sup> August, 2009 to 31<sup>st</sup> July, 2014 was approved by the members of the Company at the 18<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2009 at salary of ₹ 1,00,000/- p.m. upto a maximum of ₹ 2,00,000/- p.m. and perquisites & allowances 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. Sandeep Agrawal as Whole Time Director of the Company, Remuneration Committee and Board of Directors of the Company at their respective meetings held on 21<sup>st</sup> July, 2012 approved revision in terms of his remuneration w.e.f. 1<sup>st</sup> October, 2012 to remainder of his tenure subject to approval of members at the General Meeting, by altering the composition of the overall package of Mr. Sandeep Agrawal.

Details as required under Clause 49 of Listing agreement of Mr. Sandeep Agrawal as Whole Time Director of the Company are as under:

Mr. Sandeep N Agrawal, aged 41 years is 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 18 years. He is on the Board of Sealac Agro Ventures Ltd. He is not holding any Equity Shares of Gujarat Ambuja Exports Limited.

The draft Supplemental Agreements 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. 11. 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 resolution proposed at Item No. 11 of the Notice.

#### ITEM NO. 12

##### Re-appointment of Chairman Mr. Vijay Kumar Gupta, as Managing Director of the Company

Mr. Vijay Kumar Gupta was re-appointed as Managing Director of the Company by the members of the Company at the 16<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2007 w.e.f. 18<sup>th</sup> April, 2008 and his term will expire on 31<sup>st</sup> March, 2013.

Details as required under Clause 49 of Listing agreement of Mr. Vijay Kumar Gupta are as under:

Mr. Vijay Kumar Gupta is aged 63 years with qualification of B.D.S. and managerial experience of 40 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) Pvt. Ltd. and Esveegee Starch and Chemicals Pvt. Ltd. He also holds Chairmanship of Share Transfer committee and membership of Shareholders' / Investors' Grievances Redressal Committee of the Company. He holds 3,90,23,083 Equity Shares of ₹ 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2012.

The Remuneration Committee and the Board of Directors at their respective meetings held on 21<sup>st</sup> July, 2012, subject to approval of members at the General Meeting have considered and approved the re-appointment of Mr. Vijay Kumar Gupta as Managing Director of the Company as per draft agreement placed before the meeting.



The principal terms and conditions as contained in the draft Agreement are as under:

**1. Terms of Appointment:**

With effect from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018

**2. Remuneration :**

**I Salary :** ₹ 4,00,000/- per month upto a maximum of ₹ 7,00,000/- per month with increments as may be decided by the Board of Directors from time to time.

**II Perquisites and allowances :** In addition to the salary, Mr. Vijay Kumar Gupta shall also be entitled to the perquisites and allowances like house rental 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 ₹ 3,00,000 per month (Rupees Three Lacs 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.

**3. 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.

**4. 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.

**5. Other Terms and Conditions:**

- Mr. Vijay Kumar Gupta, shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board.
- As long as Mr. Vijay Kumar Gupta functions as Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- Mr. Vijay Kumar Gupta shall not retire by rotation whilst he continues to hold office of Managing Director.
- Mr. Vijay Kumar Gupta 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 liable to termination with 3 months' notice from either side.
- The terms and conditions of the said re-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.

Mr. Vijay Kumar Gupta satisfies all the conditions set out in Part I of Schedule XIII to the Companies Act, 1956 for being eligible for re-appointment.

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

Mr. Vijay Kumar Gupta may be considered to be concerned or interested in the said Resolution as also in the draft Agreement since it relates to his own re-appointment and remuneration. Mr. Manish Gupta, Mrs. Sulochana Gupta and Mr. Mohit Gupta may also be considered as concerned or interested in the same, being relatives of Mr. Vijay Kumar Gupta. 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 resolution proposed at Item No. 12 of the Notice.

By Order of the Board

Place : Ahmedabad

Date : 21<sup>st</sup> July, 2012

Vijay Kumar Gupta  
Chairman and Managing Director

## MEMORANDUM ON GREEN INITIATIVE

Dear Members,

*We would like to inform all the Members that the Ministry of Corporate Affairs (MCA) has come out with circular Nos. 17/2011 dated 21-04-2011 and 18/2011 dated 29-04-2011 promulgating "Green Initiative" of paperless compliances, by encouraging corporates to serve documents through electronic mode to Members, who have registered their email addresses with their Depository Participant (DP) or with the Company to receive documents electronically.*

*Taking forward this green initiative of the MCA and to reduce impact of global warming by saving on cost of paper, we are proposing to send Annual Report for the financial year 2012-13 and other documents/notices by emails to all the Members.*

*To support this noble gesture, we request whole hearted support of all the Members to register their email addresses with their DP or with the Share Transfer Agent of the Company, to receive documents/notices electronically from the Company in lieu of physical copies. Please note that, in case you have already registered your e-mail address, you are not required to re-register unless there is change in your e-mail address. Members who are holding shares in physical form are requested to send e-mail at [jayvijay@ambujagroup.com](mailto:jayvijay@ambujagroup.com) to update their e-mail address. Members are also requested to convert their physical holding into demat and consolidate their multiple folios into single folio. Please quote your Folio No. or DP ID and Client ID, as the case may be, in all your communications.*

*Considering the potential for saving in paper & printing, we are sure, that all of you will subscribe to this noble "Green Initiative".*

Vijaykumar Gupta  
Chairman & Managing Director  
Gujarat Ambuja Exports Limited