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# GUJARAT AMBUJA EXPORTS LTD.

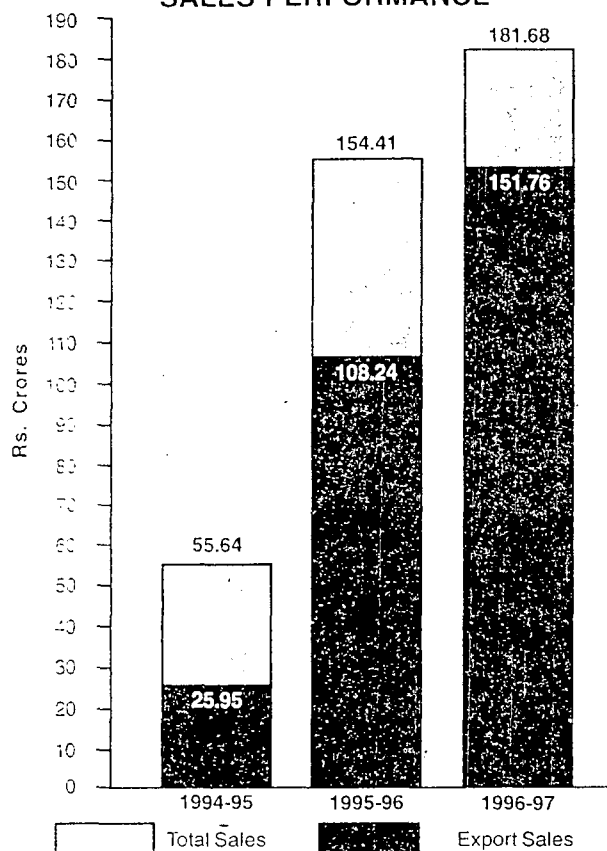
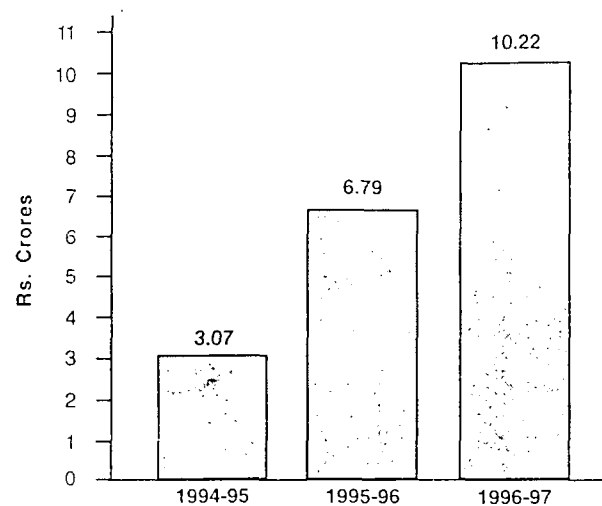
CERTIFIED TO BE TRUE COPY  
For, Gujarat Ambuja Exports Limited

Director

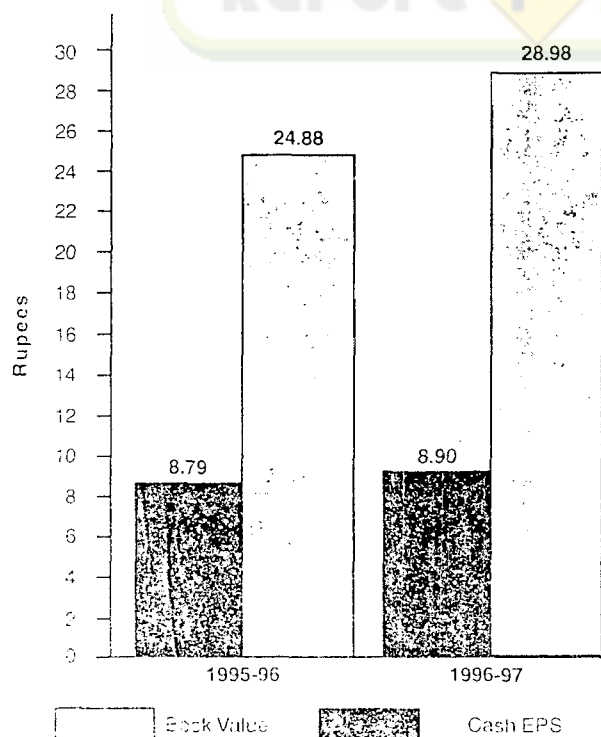
1996-97

6TH ANNUAL REPORT

## SALES PERFORMANCE

PROFIT BEFORE INTEREST,  
DEPRECIATION & TAXES

## CASH EPS / BOOK VALUE



## A. CONCENTRATION OF HOLDING :

RANGE OF SHARES	NO. OF SHAREHOLDERS	TOTAL SHARES	% TOTAL VOTING RIGHT
1 TO 100	28128	2812440	38.82
101 TO 500	3110	843700	11.65
501 TO 1000	229	183400	2.53
1001 TO 5000	54	105800	1.46
5001 TO 10000	4	25500	0.35
10001 TO 25000	3	37360	0.52
25001 TO 100000	1	52000	0.72
100001 & ABOVE	9	3184800	43.95
	31538	7245000	100.00

## B. STATUS OF SHAREHOLDERS

PARTICULARS	NO. OF SHAREHOLDERS	TOTAL SHARES	% TOTAL VOTING RIGHT
INDIVIDUAL	31455	5358740	73%
BODIES CORPORATES	83	1886260	27%
TOTAL	31538	7245000	100%

## 6TH ANNUAL GENERAL MEETING

	CONTENTS	PAGE NO.
Day : Wednesday	Notice of Annual General Meeting	2
Date : 24th Sept.1997	Directors' Report	4
Time : 03.00 p.m.	Auditors' Report	7
Venue : Auditorium Hall,	Balance Sheet	9
Ahmedabad Textile	Profit & Loss Account	10
Mill's Association,	Schedules to Balance Sheet & Profit and Loss Account	11
Ashram Road,	Accounting Policies and Notes on Balance Sheet and Profit & Loss Account.	17
Ahmedabad - 380 009	Cash Flow Statement	22
	Balance sheet Abstract and Profile	23
	Statement Pursuant to Section 212 of the Companies Act,1956	

## COMPANY DETAILS

## BOARD OF DIRECTORS

Shri Vijay Kumar Gupta - Chairman  
Smt. Sulochana Gupta  
Shri Omprakash Halwai  
Shri Sandeep Kumar Agarwal  
Shri Avtarkishan B. Handa  
Shri Manish Gupta

## AUDITORS

M/s. Pramodkumar Dad & Co.  
Chartered Accountants

## BANKERS

Bank of India, Ahmedabad Main Branch

## REGISTERED OFFICE

"Ambuja Tower",  
Opp:Memnagar Fire Station  
Navrangpura, Post Navjivan, Ahmedabad - 380 014

## SHARE TRANSFER AGENT

Jay Vijay Corporate Financial Services Ltd.  
313-314, Sakar-II, Ellisbridge, AHMEDABAD - 380 006.

## FACTORIES

1. Solvent Extraction Plant : Kadi-Thor Road  
Nāni Kadi, Dist-Mehsana (Gujarat)
2. Vanaspati Ghee Plant : Kadi-Thor Road  
Kadi, Dist-Mehsana (Gujarat)

## ATTENTION PLEASE

Share Transfer Agent  
**JAY VIJAY CORPORATE FINANCIAL SERVICES LIMITED**  
313-314, Sakar-II, Ellisbridge, AHMEDABAD - 380 006.  
Please cut & keep this slip with your Share Certificate(s).

## GUJARAT AMBUJA EXPORTS LTD.

## NOTICE

NOTICE is hereby given that the SIXTH ANNUAL GENERAL MEETING of the members of GUJARAT AMBUJA EXPORTS LIMITED, will be held on Wednesday the 24th day of September, 1997 at 03.00 p.m., at Auditorium Hall, Ahmedabad Textile Mill's Association, Ashram Road, Ahmedabad - 380 009, to transact the following business :

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, Auditors' Report and the Audited Profit & Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date.
2. To declare Dividend on Equity Shares for the year ended 31st March, 1997.
3. To appoint a Director in place of Smt. Sulochana V. Gupta, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Shri Sandeep Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

## SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Sections 16,94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Authorised Share Capital of the Company, Viz Rs.750,00,000 (Rupees Seven Crore Fifty lakhs) divided into 75,00,000 Equity Shares of Rs.10 (Rupees ten) each be and is hereby increased to Rs.12,50,00,000 (Rupees Twelve Crore Fifty lakhs Only) by increase of Rs.5,00,00,000 (Rupees Five Crores) comprising of 5,00,000 Preference shares of Rs.100 (Rupees One Hundred) each and consequently, the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital, be and is hereby altered by deleting the same and substituting in its place and instead, the following as new Clause V of the Memorandum of Association of the Company, viz.

"V. The Authorised Share Capital of the Company is Rs.12,50,00,000 (Rupees Twelve Crores Fifty Lakhs) divided into 75,00,000 (Seventy five lakh) Equity shares of Rs.10 (Rupees Ten) each and 5,00,000 (Five Lakhs) Preference Shares of Rs.100 (Rupees One Hundred) each (and such preference shares may be either Convertible or Non convertible, Cumulative or Non-Cumulative, and may carry such dividend as may be decided by the Directors, from time to time) with power to the Company to convert the same into Equity Shares at any time and from time to time, to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf".

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

"RESOLVED THAT the approval of the Company be and is hereby accorded pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and subject, wherever required, to any other approval of appropriate authorities, to the issue by the Company, acting through its Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any duly authorised Committee or any Director thereof for the time being exercising the powers conferred on the Board by this Resolution) of such number of Preference Shares not exceeding 5,00,000 (five lakh) Preference Shares of Rs.100 each which may be either Convertible or Non-Convertible, Cumulative or Non-Cumulative, at par or at premium and in such numbers and to such persons, whether or not such persons are existing shareholders of the Company, public or any bodies corporate, financial institutions, foreign institutional investors, mutual funds or any other persons/parties, whether by way of public issue, rights issue, by way of bought-out deals, placements or otherwise as the Board may consider appropriate in one or more tranches, in the manner and on the terms and conditions set out below and/or on such other terms and conditions as may be prescribed by the appropriate authorities while granting such approvals or which the Board may in its absolute discretion consider proper or expedient.

- (i) The Preference Shares to be issued and allotted by the Company in the manner aforesaid, will be subject to the provisions of the Companies Act, 1956 and Memorandum and Articles of Association of the Company.
- (ii) The Preference Shares will carry such rate of dividend as the Board may decide in its absolute discretion.
- (iii) The Rate of dividend may vary for each series of Preference Shares to be issued.
- (iv) The dividend may be either Cumulative or Non-Cumulative as the Board may decide.
- (v) The Preference Shares will be redeemed at such price, in one or more installments on expiry of specified periods as may be agreed to by the Board and the subscriber(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to agree to and to make such modifications and alterations from time to time as it deems fit and to take all steps as it may deem necessary, desirable or expedient and to resolve all questions or doubts and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members of the Company and the decision of the Board shall be final and conclusive".

By Order of the Board

Registered Office :  
"Ambuja Tower"  
Opp. Memnagar Fire Station,  
Navrangpura, P.O. Navjivan  
Ahmedabad - 380 014.  
Dated : 15th July, 1997

VIJAYKUMAR GUPTA  
CHAIRMAN

#### ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Refer: Business No 6 & 7 Re: Special Business :

The present authorised capital of the Company is Rs.7,50,00,000 (Rupees Seven Crore Fifty lakhs) divided into 75,00,000 (Seventy five lakh) Equity Shares of Rs.10 (Rupees Ten) each.

The Company is considering several avenues for mobilising additional resources and one of them would be by issue of Preference Shares to various categories of investors on such terms and conditions as the Directors may decide.

The Substitution of Clause V of the Memorandum of Association is therefore, proposed in accordance with the provisions of Sections 16 and 94 of the Companies Act, 1956.

Those Directors of the Company who may take up any such Preference Shares offered to them, may be deemed to be concerned or interested in the aforesaid resolutions.

A copy of the Memorandum and Articles of Association of the Company, reflecting the substitution as per the respective resolutions, is available for inspection at the Registered Office of the Company.

By Order of the Board

Registered Office :  
"Ambuja Tower"  
Opp. Memnagar Fire Station,  
Navrangpura, P.O. Navjivan  
Ahmedabad - 380 014.  
Dated : 15th July, 1997.

VIJAYKUMAR GUPTA  
CHAIRMAN

#### NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER  
THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE OFFICE OF SHARE TRANSFER AGENTS OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Register of Members and Share Transfer Books of the Company will remain close from 16th September, 1997 to 24th September, 1997 (both days inclusive) for the purpose of payment of Dividend.
- (c) Dividend for the year ended 31st March, 1997, recommended by the Directors, if declared at the Meeting, will be paid, to those members whose names appear on the Company's Register of Members as on 24th September, 1997. The Dividend will be paid without deducting any tax as per prevalent legal provisions.
- (d) Members holding shares of the Company under more than one Ledger Folio are requested to send to the Company, details of all such folios together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to the shareholders after making the requisite endorsement thereon.
- (e) Members are requested to intimate the change in their registered address, if any, to the Company's Share Transfer Agent.
- (f) All correspondence relating to Shares of the Company may please be addressed to the Company's Share Transfer Agent at M/s Jay Vijay Corporate Financial Services Limited 313-314, Sakar-II, Ellisbridge, Ahmedabad - 380 006.
- (g) Members are requested to bring their copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.
- (h) Members seeking further information about the Accounts and/or Operations of the Company, are requested to send their queries to the Company at its Registered Office atleast TEN days before the date of the Meeting.
- (i) The unclaimed dividend for the financial year 1993-94, 1994-95 & 1995-96 will be deposited by the Company with the Central Government on 12/12/1997, 14/11/1998 & 20/10/1999 respectively. The members who have not encashed the dividend warrants are, therefore, requested to immediately forward the same, duly discharged to the Company's Share Transfer Agent to facilitate payment of the same.



## DIRECTORS' REPORT

To,  
The Members,  
GUJARAT AMBUJA EXPORTS LIMITED

Your Directors have pleasure in presenting herewith their 6th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 1997.

	(Rs. in lacs)	
FINANCIAL RESULTS	1996-97	1995-96
Export Sales	15175.74	10824.00
Local Sales	2987.17	4617.46
<b>Total Sales</b>	<b>18162.91</b>	<b>15441.46</b>
<b>Profit before making provisions for Interest, Depreciation and Taxation</b>	<b>1021.75</b>	<b>679.07</b>
Less :		
1. Interest	386.02	51.42
2. Depreciation	195.71	23.09
3. Provision for Taxation (MAT)	56.77	NIL
4. Prior year Adjustment	NIL	0.01
5. Excess Provision for Income Tax Written Back	NIL	(5.43)
<b>Profit for the year</b>	<b>383.25</b>	<b>609.98</b>
Add : Balance in Profit & Loss Account	707.44	506.13
<b>Profit available for Appropriation</b>	<b>1090.69</b>	<b>1116.11</b>
<b>APPROPRIATION :</b>		
1. Transfer to General Reserve	200.00	300.00
2. Proposed Dividend on Equity Shares @ Rs.1.20 per share (without tax) (P.Y. @ Rs.1.50 per share subject to deduction of tax at source)	86.94	108.67
3. Tax on Distribution of Dividend	8.69	NIL
Balance carried to Balance Sheet	795.06	707.44
	<b>1090.69</b>	<b>1116.11</b>

## DIVIDEND

The Directors are pleased to recommend Dividend at Rs.1.20 per share on 72,45,000 Equity shares of Rs.10 each for the Financial Year 1996.97. The Dividend proposed reflects the confidence of consistently improving performance and also better profit projected for the year 1997-98. The Dividend, if declared, will be paid to those shareholders whose names appear on the Register of members as on 24th September, 1997. As per the amended laws, the dividend, if declared, will be paid without any tax deduction.

## PRESENT OPERATIONS

The Company, during the year under consideration repeated its performance of last year & fared well due to excellent Soya Season for the year under consideration. The Edible Oil Industry performance on the whole was average, but the Deoiled cake Export market was very bullish. Owing to this, the company performed well. The exports for the year under consideration were at Rs.151 Crores significantly higher than the last year at Rs.108 Crores. The Profit before interest & Depreciation improved by more than 50 % during the year under review. However due to higher Interest, Depreciation burden, the Profit before tax was slightly lower at Rs.440.02 Lakhs as compared to Rs.604.56 Lakhs last year. The Company has although no tax liability as per the normal provision of Income Tax, a provision of Rs.56.77 Lakhs is made on account of M.A.T., the Newly inserted provision.

The Company has changed the method of depreciation from Straight Line Method to Written Down Value Method & consequently, the surplus available for the year has reduced.

## EXPORT PERFORMANCE

The Company witnessed stupendous growth in the Exports and reached the record Rs.151 crores. This will help to improve its status from the present Trading House to Star Trading House through the Net Foreign Exchange Earnings criteria as provided in the Export- Import Policy.

**FUTURE PROSPECTS**

The year 1997-98 has started with Exports recording at more than Rs.12.86 crores during the first quarter ended 30th June,1997. The Company expects to improve the Exports over the last year & expects to report better performance for the Year 1997-98.

**SOYA FLAKES AND VANASPATI PROJECT**

The Board is pleased to announce that the Vanaspati Plant has commenced the commercial production after the year end, successfully. The company is in the process of establishing marketing Network & also identifying large consumers. The product is being gradually accepted as a quality product in the market.

**FINANCE**

The Company was able to do business in large volumes due to timely sanctioning of the additional facilities by the bankers to whom the company expresses its warm appreciation.

**DIRECTORS**

Smt. Sulochana Gupta and Shri Sandeep Agarwal retire at this General Meeting and being eligible, have offered themselves for reappointment.

**SUBSIDIARY COMPANY**

During the year under review, the company promoted Gujarat Ambuja International Pte. Ltd. at Singapore, as 100% subsidiary Company. It holds the equity in the said subsidiary through its nominees. The Subsidiary company has decided to close its first accounts on 31st December, 1997 & hence no relevant details as at 31st March, 1997 are available for report under Section 212. For the period ended 31st March, 1997, the report of the subsidiary is attached as required under Section 212 of the Companies Act, 1956. After 1st April, 1997 the subsidiary company has started business of trading & for the period ended 30th June, 1997, it has recorded turnover of 326755 Singapore Dollars & also recorded gross profit of 9032 Singapore Dollars. After the year end the company has invested US\$ 300000 in the Ordinary Shares of Gujarat Ambuja International Pte. Ltd., who have issued 429998 shares each of One Singapore Dollar. The above investment has been made pursuant to the authority granted to the company by the shareholders at the General Meeting, Reserve Bank of India & Central Government.

**INSURANCE**

All properties and insurable interests of the Company including Building, Plant and Machineries, Stocks, Spares etc. wherever necessary and to the extent required, have been adequately insured.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/OUTGO.**

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under 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 given in the Annexure to this Report.

**PARTICULARS OF EMPLOYEES & OTHER STATUTORY INFORMATION**

Provisions of Section 217(2A)(b)(ii) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, since none of the employees of the Company was in receipt of total remuneration of Rs.3,00,000/- p.a. or Rs.25,000/- p.m. during the financial year under review.

As per the requirements of the listing agreement & section 215 of the Companies Act, 1956, the Cash Flow Statement and the Company Profile and the Balance sheet abstract is annexed to this report.

**AUDITORS & THEIR REPORT :**

You are requested to appoint Auditors for the Current Year to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s. Pramod Kumar Dad & Co., Chartered Accountants, the retiring Auditors, being eligible for reappointment, have furnished Certificate U/s.224(1)(B) of the Companies Act, 1956 that the appointment if made, at the ensuing Annual General Meeting, will be within the limits specified.

The Auditors' Report is Clarificatory and does not require any further clarification.

**PERSONNEL**

Industrial relations continued to be cordial and harmonious during the year under review. The Directors wish to place on record their appreciation for the co-operation received from the staff and workers at all levels.

**ACKNOWLEDGEMENT**

Your Directors place on record their sincere thanks for continuous support of the Banks, Central and State Governments, Office of the Industries Commissioner, valued Customers and devoted workers for their continuous contribution to the growth and progress of the Company.

The Directors also express their gratitude to the shareholders for the confidence reposed in the management.

Registered Office:

Ambuja Tower

Opp. Memnagar Fire Station, Navrangpura,

Post Navjivan, Ahmedabad - 380 014

Place: Ahmedabad

Date : 15th July, 1997

For and on behalf of the Board of Directors

**VIJAYKUMAR GUPTA**  
CHAIRMAN

## GUJARAT AMBUJA EXPORTS LTD.

## ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Board of Directors Report) Rules, 1988 and forming part of the Directors' Report for the Financial Year Ended 31.03.97.

## A. CONSERVATION OF ENERGY

## 1) Energy Conservation measures taken :-

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

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

## FORM-"A"

A) POWER AND FUEL CONSUMPTION :	1996-97	1995-96
1) Electricity		
a) Purchased:		
Unit	2773463	1195048
Total Amount (Rs.)	9306034	3099135
Rate/Unit (Rs.)	3.35	2.60
Cost of Consumption per Unit of Production (M.T.) (Including Production on Job basis.)	Rs. 107.55	Rs. 58.85
b) Own Generation	N.A.	N.A.
2) Coal:		
Qty. (M.T.) Lignite	7525.777	5087.606
Total Cost (Rs.)	8062320	5457174
Avg. Rate (Rs.)	1071.29	1072.64
Cost of Consumption per Unit of Production (M.T.)	Rs. 93.18	Rs. 103.63
3) Furnace Oil	N.A.	N.A.
4) Others/Internal Generation : Steam from Heat Recovery Boiler		
Qty. (Kg.)	5152090	N.A.
Total Cost (Rs.)	1051962	
Rate/Unit	Rs. 0.20	
Cost of Consumption per Unit of Production (M.T.)	Rs. 12.16	N.A.

## B. TECHNOLOGY ABSORPTION :

## a) Research &amp; Development (R&amp;D):

i) Specific areas in which R&D carried out by the Company: The Research & Development efforts of the Company are directed towards quality control and improvement of in house expertise.

ii) Benefits derived as a result of the above R&D: Benefits derived by the Company from its Research & Development activities are Primary by way of improvement in product quality and cost effectiveness.

## b) Technology Absorption, Adaptation and Innovation:

i) Efforts, in brief made towards technology absorption, adaptation and innovation: The company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available.

ii) Benefits derived as a result of the above efforts: The above efforts have improved the quality of the product and the quality now is of the International Standards. Besides it has also improved the productivity and reduced the wastages.

iii) Information regarding technology imported during last five years : Not Applicable

c) Foreign Exchange earning/outgo:	1996-97	1995-96
Foreign Exchange Earned:	RS.	RS.
FOB Value of Sales (Including Warehouse Charges)	1517574083	1080169407
Foreign Exchange Used :		
Finished Goods Purchased	0	129145808
Telephone Expenses	8333	31463
Membership & Subscription	5970	5192
Foreign Travelling	263270	738449
Foreign Commission	0	1874019
Sales Promotion	113035	0
Loans Granted to Subsidiary Co.	145312	0
Total.....	535920	131794931