

16th Annual Report 2006 - 2007



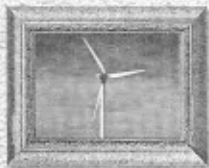
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GUJARAT AMBUJA EXPORTS LIMITED
AHMEDABAD, INDIA

Our Core Strength
Agro Processed Products



ANNUAL REPORT 2006-2007

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 • Website: www.ambujagroup.com

16TH ANNUAL REPORT

BOARD OF DIRECTORS

Shri Vijay Kumar Gupta, Chairman & Managing Director
Shri Manish V Gupta, Managing Director
Shri Parshottam G. Makhija, Executive Director
Smt. Sulochana V Gupta
Shri Jagdish Sharan Varshneya
Shri Chaitan M Maniar
Shri Prakash G Ramrakhiani
Shri Ashok C Gandhi
Shri Sandeep N Agrawal
Shri Rohit J Patel
Shri Mohit V Gupta

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Shri Kaushik C. Khona

AUDITORS

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

BANKERS

1. Bank of India
2. Punjab National Bank
3. Union Bank of India

SHARE TRANSFER AGENT (PHYSICAL & ELECTRONIC FORM)

Jupiter Corporate Services Limited

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

SUBSIDIARY : Gujarat Ambuja International Pte. Ltd, Singapore

PLANTS

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

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SCHEDULE OF ANNUAL GENERAL MEETING

Date : 25th September, 2007

Day : Tuesday

Time : 11.00 A.M.

Venue : GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad-380 006.

FOR ATTENTION OF ALL MEMBERS

A. GENERAL

1. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205-C in 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. Members who have not yet encashed their dividend warrant(s) are requested to make their claims to the Company, without any delay.
2. Members holding shares of the Company under more than one Ledger Folio are requested to send to the Company details of all such folios together with the share certificates for consolidating the folios into one. The said formalities will help the members to get shares in marketable lot.
3. Members holding shares in physical form are requested to quote their New Folio number in GAEL and members holding shares in electronic form are requested to quote their Client ID along with DP_ID in all their future correspondence.
4. At the time of intimating change of address, members are requested to state all their folio numbers to get records of the Company updated for all folios. Members holding shares in Electronic form have to communicate change of address to their respective Depository Participants (DPs).
5. In the case of deletion/transmission due to death of one of the holder or all holders, as the case may be, members are requested to complete the formalities at the earliest so as to update the records of the Company.
6. As mandated by SEBI, the Company will be providing Electronic Clearing System (ECS) facility to the members whereby members will be able to receive their dividend by way of electronic credit directly to their bank account. The members may send their request in details to the Company. For format you may write to the Company.
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. In case of shares held in demat form, the nomination has to be lodged with members' Depository Participants.

B. SUB-DIVISION OF EQUITY SHARES FROM RS.10/- EACH TO RS.2/- EACH AND EXCHANGE OF SHARES

1. The Members are requested to note that the Equity Shares of Rs.10/- each of the Company has been sub-divided into Equity Shares of Rs.2/- each and the record date for the said purpose was 16th January, 2006.
2. The members are further requested to note that shareholders who are holding Equity Shares of Rs.10/- each of the Company in physical form and if not yet exchanged, are required to get the same exchanged with sub-divided Equity Shares of Rs. 2/- each. The members are requested to send the old Equity Shares of Rs.10/- each at Registered Office of the Company for exchange.

C. DEMATERIALIZATION :

1. Members are requested to note that the shares of the Company are under **compulsory demat from 24th July, 2000**. Members are further requested to note that the Company has entered into agreements with NSDL & CDSL and script of the company has been activated for dematerialisation on 27.06.2000 & 23.02.2000 respectively. The new ISIN No. INE036B01022 for sub-divided Equity Shares of Rs.2/- each has

been allotted to the Company. Members are requested to approach their DPs for dematerialisation of Equity Shares of the Company.

2. Kindly note that from 29th September, 2003, Physical and Electronic work regarding shares is entrusted to the Registrar and Share Transfer Agent **M/s. Jupiter Corporate Services Limited having its office at "Ambuja Tower", Opp. Memnagar Fire Station, P.O. 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.

D. FOR ATTENTION OF MEMBERS OF ERSTWHILE GUJARAT AMBUJA COTSPIN LTD. (GACL) (ALSO KNOWN AS GUJARAT AMBUJA STEEL LTD & AMBUJA FOODS LTD) AND GUJARAT AMBUJA PROTEINS LIMITED (GAPL) (ALSO REFERRED AS AMALGAMATING COMPANIES).

1. Members who have not yet exchanged their share certificates of Amalgamating Companies are requested to send their holding as per our intimation dated 30.04.99 to the Registered Office of the Company to get the shares of GAEL in exchange. Kindly note that without getting the shares of GAEL in exchange, dematerialisation will not be possible. Further please note that exchange cum dematerialization, both at one go, is not possible due to exchange ratio and other technical issues.
2. Exchange ratio approved in the Scheme of Amalgamation:
for every 4 Equity Shares of GACL = 1 Equity share of GAEL
for every 5 Equity Shares of GAPL = 1 Equity share of GAEL
3. Members are further requested to note that they will be issued shares of GAEL in proportion to shares of GAPL and/or GACL surrendered.
4. Members are also requested to send share certificates in the name of Ambuja Foods Ltd. and/or Gujarat Ambuja Steel Ltd. as the name of the Company was changed to Gujarat Ambuja Cotspin Ltd. In case of GAPL also send Part-B of the debenture certificates for which shares in exchange have not yet been claimed should be sent.

E. FOR ATTENTION OF MEMBERS OF ERSTWHILE JUPITER BIOTECH LIMITED (JBL) (ALSO KNOWN AS GUJARAT VITA PHARMA LTD) (ALSO REFERRED AS AMALGAMATING COMPANY).

1. Members who have not yet exchanged their share certificates of Amalgamating Company are requested to send their holding as per our intimation dated 31.01.2004 to the Registered Office of the Company to get the shares of GAEL in exchange. Kindly note that without getting the shares of GAEL in exchange, dematerialisation will not be possible. Further please note that exchange cum demat, both at one go, is not possible due to exchange ratio and other technical issues.
2. Exchange ratio approved in the Scheme of Amalgamation:
for every 1 Equity Shares of JBL = 1 Equity share of GAEL
3. Members are further requested to note that they will be issued shares of GAEL in proportion to shares of JBL surrendered.
4. Members are also requested to send share certificates in the name of Gujarat Vita Pharma Limited, as the name of the Company was changed to Jupiter Biotech Limited.

SHARES ARE UNDER COMPULSORY DEMAT : HAVE YOU GOT YOUR SHARES DEMATED ?



GUJARAT AMBUJA EXPORTS LIMITED

Notice

Notice is hereby given that the 16th Annual General Meeting of Members of GUJARAT AMBUJA EXPORTS LIMITED will be held on Tuesday, the 25th September, 2007 at 11.00 a.m. at GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2007, Profit & Loss Account for the year ended on that date, Directors' Report and Auditors' Report thereon.
2. To declare dividend on Equity Shares
3. To appoint a Director in place of Shri Rohit J. Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Mohit V. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Chaitan M. Maniar, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

7. Re-appointment of Chairman Shri 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 Shri Vijay Kumar Gupta as Managing Director of the Company from 18th April, 2008 upto period ended 31st March, 2013 on the terms and conditions as mentioned in the Agreement to be entered into between the Company and Shri 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 Shri 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 Shri Vijay Kumar Gupta as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in 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 (1) of the Articles of Association of the Company."

"RESOLVED FURTHER THAT Shri 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."

8. Revision in Terms of Remuneration of Shri P.G. Makhija, Executive 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 13th Annual General Meeting held on 23rd September, 2004 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 Shri P.G. Makhija, Executive Director (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) with effect from 1st November, 2006 for the remaining period of the tenure of his contract i.e. upto 27th December, 2007 the remuneration payable to be read as Rs.1,00,000/- p.m. instead of Rs.80,000/- p.m.. "

"RESOLVED FURTHER THAT all other terms and conditions of appointment as approved by the members at the 13th Annual General Meeting held on 23rd September, 2004 remain unchanged."

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

9. Re-appointment of Shri P. G. Makhija as an Executive Director

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

RESOLVED THAT in accordance with 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 of Shri P. G. Makhija as an Executive Director from 28th December, 2007 upto period ended 31st March, 2011 for overall supervision, management and administration of 100% EOU Cotspin Division (Himatnagar) on the terms and conditions, including that of remuneration as set out in the explanatory statement annexed to this notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) with specific authority to Board of Directors of the Company to alter and vary the terms and conditions thereof including the remuneration so as not to exceed the limit set out in Section 198, 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 Shri P. G. Makhija"

"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 Shri P. G. Makhija, Executive Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in 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."

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

"RESOLVED FURTHER THAT Shri P. G. Makhija, Executive Director be and is hereby authorised, empowered and vested with the substantial powers of the Management of the Cotspin Division of the Company for carrying out the affairs and activities of the Company's said division 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."

Place : Ahmedabad
Date : 28th JULY, 2007

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

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of Members and Share Transfer Books of the Company will remain closed from 10th September, 2007 to 25th September, 2007 (both days inclusive).
3. Dividend, if any, declared at the meeting will be payable to those members whose names appear in the Company's Register of Members on 25th September, 2007. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
4. Unclaimed dividends upto 1997-98 have been deposited with the Central Government. The Company has not declared any dividend for F.Y. 1998-1999. Unclaimed dividend for the year 1999-2000 & onwards will be deposited with the Central Government 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 Share Transfer agent to facilitate payment of the dividend.

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Financial Year	Date of AGM	Date of Dividend Warrant	Due Date of Transfer to Unpaid Account	Due Date of accepting claim by Company	Due Date for Transfer to Investor Protection Fund
1999-00	29.09.2000 Interim: Note: 1	09.11.2000	16.11.2000	29.09.2007	16.11.2007
2000-01	25.09.2001 Interim: Note: 2	09.11.2000	16.11.2000	09.11.2007	16.11.2007
2001-02	25.02.2003	26.03.2003	02.04.2003	25.02.2010	02.04.2010
2002-03	30.09.2003 Interim: Note: 3	26.03.2003	13.04.2003	26.03.2010	13.04.2010
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

Note: 1. For F.Y. 1999-2000 Interim dividend @5% was paid after its approval at Annual General Meeting as Final Dividend.

Note: 2. For F.Y. 2000-01 Interim Dividend @5% p.a. was paid and the same was approved and confirmed by the members at 10th Annual General Meeting as Final Dividend.

Note: 3. For F.Y. 2002-03 Interim Dividend @6% p.a. was approved at the meeting of Board of Directors held on 8.3.2003 and the same had also been paid and the same was approved as Final Dividend for F.Y. 2002-03 by members of the Company at 12th Annual General Meeting held on 30th September, 2003.

5. Those members who have not encashed the Dividend are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic Share accounts and to the Company at its Registered Office in respect of their physical Share folios, if any.
6. 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.
7. 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.
8. Appointment/ Re-appointment of Directors (Pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Shri Rohit J. Patel, Shri Mohit V. Gupta and Shri Chaitan M. Maniar, 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) Shri Rohit J. Patel, aged 61 years is B.E. II (Electrical) and consultant on Management and Human Resources Management. He is on the Board of the Company since 30.07.2005. He is visiting faculty to various organizations, institutions, associations and universities. He is writer of several books on personality development and management. He has established Symcom Corporation in the year 1971, the first private organization to impart training in computers, sales, TOEFL and practical job oriented courses. He is also on the Board of Vadial Industries Limited. He is member of Education Committee of Ahmedabad Management Association. He does not hold any shares of Gujarat Ambuja Exports Limited.
 - (b) Shri Mohit V. Gupta, aged 26 years, is young and dynamic industrialist with B.Com., 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 is on the Board of the Company since 30.07.2005. He is also on the Board of Jay Agriculture and Horticulture Products Private Limited and Jay Infrastructure and Properties Private Limited. He is holding 90,17,095 Equity Shares of Gujarat Ambuja Exports Limited of Rs. 2/- each.
 - (c) Shri Chaitan M. Maniar, aged 71 years a 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 30th March, 2002. He is Director in Chemtex Engineering of India Limited, Foods & Inns Limited, Godfrey Phillips India Limited, Hindalco Industries Limited, Indo-Euro Investment Company Limited, Indian Card Clothing Company Limited, Machine Tools (India) Limited, Multi Commodity Exchange of India Limited, Pioneer Investcorp Limited, Sudal Industries Limited, Twenty First Century Printers Limited, Varun Shipping Company Limited, Vadial Industries Limited, Akzo Nobel Coatings India Pvt. Ltd., Amsar Private Limited, HGC Foundation Private Limited, Lintas India Private Limited, MAS consulting Group Private Limited and Northpoint Trading and Research Pvt. Ltd. He also holds Membership of various committees of the companies such as member of Audit Committee of Hindalco Industries Limited, Varun Shipping Company Limited, Twenty First Century Printers Limited, Machine Tools (India) Limited, Pioneer Investcorp Limited. He also holds chairmanship/ membership of Shareholders'/ Investors' Grievance Committee of Hindalco Industries Limited, Varun Shipping Company Limited (Chairman), Twenty First Century Printers Limited, Pioneer Investcorp Limited, Godfrey Phillips India Limited and membership of Share Transfer Committee of Twenty First Century Printers Limited, Pioneer Investcorp Limited and Godfrey Phillips India Limited. He holds 5000 shares of Gujarat Ambuja Exports Limited of Rs. 2/- each.

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

ITEM NO. 7

Re-appointment of Shri Vijay Kumar Gupta, Chairman and Managing Director of the Company

Shri Vijay Kumar Gupta was re-appointed as Managing Director for the period of 5 years w.e.f. 18th April, 2003 and his term will expire on 17th April, 2008.

Shri Vijay Kumar Gupta is aged 57 years with qualification of B.D.S. and managerial experience of 35 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 and Jay Ambe Infra Projects Pvt. Ltd.. He also holds Chairmanship of Share Transfer committee and member of Shareholders'/ Investors' Grievances Redressal Committee of the Company. He holds 3,97,58,475 Equity Shares of Rs.2/- each of Gujarat Ambuja Exports Limited. Considering the increased activities, responsibilities and contribution of Shri Vijay Kumar Gupta in development and growth of the Company, Remuneration Committee and the Board of Directors at their respective meetings held on 28th July, 2007, subject to approval of members at the General Meeting, have considered and approved the re-appointment Shri Vijay Kumar Gupta as Managing Director of the Company as per draft agreement placed before the meeting.

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

1. Terms of Appointment :

With effect from 18th April, 2008 to 31st March, 2013

2. Remuneration :

I Salary : Rs. 1,50,000/- per month (Rupees One Lakh Fifty Thousand per month)

II Perquisites : The Managing Director shall be entitled to following perquisites as under. For the value of perquisites the applicable rules under Income Tax Act, 1961 shall apply.

CATEGORY : A

- a) Gas, Electricity, Water and Furnishing : The Expenditure incurred by the Managing Director on Gas, Electricity, Water and other furnishing at residence will be provided by the Company and shall be valued as per the Income Tax Rules, 1962.
- b) Medical : Medical expenses incurred for the self and family shall be reimbursed. The taxable value of perquisite would be calculated as per the rules and provisions applicable from time to time under the Income Tax Act, 1961.
- c) LTA : Leave Travel Concession for the self and family in a year in accordance with the rules specified by the Company provided that only actual expenditure shall be reimbursed for the traveling purpose. The taxable value of this perquisite will be calculated as per the Rules and provisions applicable from time to time under the Income Tax Act, 1961.
- d) Club Fees : Fees of clubs subject to a maximum two clubs shall be paid/ reimbursed by the Company. This will not include admission and life membership fees. Besides fees for obtaining credit card or its renewal from Clubs, would be paid in addition to the actual expenditure as company's business expenditure.
- e) Personal Accident Insurance & Life Insurance : Annual Premium on personal Accident shall not exceed Rs.5000/-. The Company may at any time take Life insurance policy under any scheme including the key man insurance policy for which the premiums would be paid by the Company and the Company do assign the said policy in favour of Shri Vijay Kumar Gupta during his tenure of appointment.

CATEGORY : B

- a) Contribution to Provident Fund, Superannuation fund : Contribution to Provident fund, superannuation fund etc. will not be included in the ceiling on perquisites to the extent these either singly or put together are not taxable under the Provisions of the Income Tax Act, 1961.
- b) Earned Leave : Earned leave will be granted on full pay and allowance as per the Rules of the Company, but not exceeding one month's leave for every eleven months of services, subject to the further condition that leave accumulated but not availed will be allowed to be encashed. The Leave encashment subject to above entitlement will be subject to value as per Income Tax Rules, 1962, provided leave encashed on expiry of the terms of this agreement will be treated as Nil for valuation.
- c) Gratuity : Gratuity payable shall not exceed Half Month's salary for each completed year of services subject to a ceiling of Rs. 5,00,000/- (Rupees Five Lacs only).

CATEGORY : C

- a) Chauffeur Driven Car : He would be provided with chauffeur driven car whose valuation will be calculated as per the Income Tax Rules, 1962.
- b) Telephone : Two Telephones at the residence and Mobile phone will be provided which will not be considered as perquisites.

Note: Use of Car for the purpose of the business of the Company will not be considered as perquisites. The Company shall bill personal long distance calls and use of Car for private purpose.

CATEGORY : D

Commission: In addition to the salary, perquisites and allowances payable,



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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 of the Companies Act, 1956.

3. Minimum Remuneration :

The aforesaid Remuneration is subject to the limit of 5% of the Annual Net Profits of the Company and subject to the overall limit of 10% of the Annual Net Profits of the Company for the remuneration of Managing Directors and whole Time Director(s) of the Company taken together. Provided, however, that in event of absence or inadequacy of profit the Managing Director shall be paid remuneration excluding commission within the minimum remuneration specified in Section II of Part II of Schedule XIII of the Companies Act, 1956.

4. Other Terms and Conditions:

- Shri 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 Shri 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.
- Shri Vijay Kumar Gupta shall not retire by rotation whilst he continues to hold office of Managing Director.
- Shri 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 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.

The draft Agreement to be entered into by the Company with Shri 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.

Shri 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. Shri Manish Gupta, Smt. Sulochanaben Gupta and Shri Mohit Gupta may also be considered as concerned or interested in the same, being relatives of Shri 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. 7 of the Notice.

ITEM NO. 8

Revision in Terms of Remuneration of Shri P.G. Makhija, Executive Director

Re- Appointment of Shri P.G. Makhija as an Executive Director for a period of 3 years w.e.f. 28th December, 2004 was approved by the Remuneration Committee, Board of Directors at their respective meetings held on 29th July, 2004 and Members at the 13th Annual General Meeting held on 23rd September, 2004 at salary : Rs. 70000-5000-80000 per month and perquisites as approved.

Shri P. G. Makhija aged 49 years with qualification of M.Com., LL.B., ACS, CAIIB-I, has an experience of 29 years in the field of finance, commerce, management and administration and as overall in charge of the Cotspin Division's manufacturing & marketing operations since last 11 years. He is also on the Board of Ekta Devices Pvt. Ltd. He does not hold any shares of Gujarat Ambuja Exports Limited.

Considering the contribution and efforts made by Shri P. G. Makhija for sustained growth, increased productivity, world wide market acceptance and overall improvement in bottom line of the Cotspin Division, the Remuneration Committee and Board of Directors at their respective meetings held on 28th July, 2007 considered and approved, subject to approval of members of the Company at General Meeting, revision in terms of remuneration of Shri P.G. Makhija w.e.f. 1st November, 2006 for the remaining period of his tenure of appointment that is till 27th December, 2007 at Salary of Rs. 1,00,000/- p.m. against Rs. 80,000/- p.m. applicable at present. Thus, the Summary of the change in terms of appointment is as under:

In place of approved Salary of Rs.80,000/- p.m. w.e.f. 28th December, 2006 in the Scale of Rs.70,000- 5,000- 80,000 the revision is proposed for salary of Rs. 1,00,000/- p.m. w.e.f. 1st November, 2006 for the remaining period of his tenure of appointment that is till 27th December, 2007. All other terms and conditions of re-appointment and terms of remuneration remains unchanged.

Except Shri P G Makhija, none of the Directors of the Company is interested and

or concerned in any way, directly or indirectly, in the said resolution.

This may be treated as an abstract of the terms and conditions governing the appointment of the said Executive Director and memorandum of interest under section 302 of the Companies Act, 1956.

Your Directors in appreciation of performance and efforts put on by Shri P. G. Makhija as the Executive Director of the Company recommend passing the resolution proposed at Item No. 8 of the Notice.

ITEM NO. 9

Re-appointment of Shri P. G. Makhija as an Executive Director

The terms of appointment of Shri P. G. Makhija as the Executive Director will end on 27th December, 2007.

Shri P. G. Makhija aged 49 years with qualification of M.Com., LL.B., ACS, CAIIB-I, has an experience of 29 years in the field of finance, commerce, management and administration and as overall in charge of the Cotspin Division's manufacturing & marketing operations since last 11 years. He is also on the Board of Ekta Devices Pvt. Ltd. He does not hold any shares of Gujarat Ambuja Exports Limited.

Considering the contribution and efforts made by Shri P.G. Makhija as the Executive Director for the growth and development of Cotspin Division of the Company, the Remuneration Committee and Board of Directors at their respective meetings held on 28th July, 2007 considered and approved, subject to approval of members of the Company at General Meeting, re-appointment of Shri P. G. Makhija as an Executive Director w.e.f. 28th December, 2007 upto 31st March, 2011 at the following terms and conditions;

- Salary : Rs. 1,15,000/- — Rs. 1,50,000/- per month
(Annual Increment to be decided by the Remuneration Committee and Board of Directors based on performance)

- Commission on Profit : Nil

- Perquisites :

- Medical Reimbursement: For self and family, as per rules of the Company, subject to a ceiling of Rs. 15000/- per annum.
- Leave Travel Concession : Once in a year as per the rules of the Company.
- Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include payment of admission and life membership fees.
- Personal Accident Insurance : Annual Premium on personal Accident shall not exceed Rs. 5000/-.
- Company's Contribution towards Provident Fund : As per the rules of the Company but not exceeding 12 percent of the salary as laid down under the Income Tax Rules, 1962.
- Gratuity : Not exceeding half-a-month's salary for each completed year of services.
- Chauffeur Driven Car : For use of Company's Business shall be provided.
- Telephone : Two Telephones at residence & Mobile Phone will be provided which will not be treated as perquisite. The Company shall bill personal long distance calls.
- Reimbursement of Expenses : He shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.
- Leave entitlement : As per rules of the Company.
- Minimum Salary : In the absence or inadequacy of profits in any financial year the Executive Director shall get the salary and shall be entitled all other perquisites and benefits without any corresponding changes or alterations subject to the ceiling as may be applicable to him and or to the Company in view of provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956.

- Other Terms and conditions :

- In the event of cessation of office during any financial year, prorata remuneration shall be payable by the company.
- The appointment is liable to termination with 3 months' notice from either side.
- Executive Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

Except Shri P. G. Makhija, none of the Directors of the Company is interested and/or concerned in any way, directly or indirectly, in the said resolution.

This may be treated as an abstract of the terms and conditions governing the appointment of the said Executive Director and memorandum of interest under section 302 of the Companies Act, 1956.

Your Directors in appreciation of performance and efforts put on by Shri P. G. Makhija as the Executive Director of the Company, recommend passing the resolution proposed at Item No. 9 of the Notice.

Place : Ahmedabad
Date : 28th JULY, 2007

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

16TH ANNUAL REPORT 2006-2007**DIRECTORS' REPORT AND MANAGEMENT DISCUSSION**

To,
The Members,
Gujarat Ambuja Exports Limited.

We have pleasure in presenting our 16th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2007.

FINANCIAL HIGHLIGHTS

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

PARTICULARS	2006-2007	2005-2006
GROSS TOTAL TURNOVER	1410.44	1287.34
(INCLUDING EXPORTS)	538.23	409.82
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES	103.74	76.69
LESS :		
INTEREST & FINANCE CHARGES	8.82	7.42
DEPRECIATION	25.10	23.77
PRO. FOR TAXATION (INCL.DEFERED TAX)	23.07	15.19
NET PROFIT FOR THE YEAR	46.75	30.31
ADD: BAL. OF PROFIT CARRIED FORWARD	89.89	67.39
PROFIT AVAILABLE FOR APPROPRIATION	136.64	97.70
APPROPRIATED AS UNDER		
DIVIDEND [18% P.A. (P.Y.12%P.A)]	5.02	3.34
PROVISION FOR DIVIDEND DISTRIBUTION TAX	0.85	0.47
TRANSFER TO GENERAL RESERVE	6.00	4.00
TOTAL APPROPRIATION	11.87	7.81
BALANCE CARRIED TO BALANCE SHEET	124.77	89.89

DIVIDEND

Considering improving performance, the board has decided to recommend a higher dividend of 18% p.a. (Rs.0.36 per share of Rs. 2 each) as against dividend paid Rs. 0.24 per share (12% p.a.) last year.

The total cash outflow would be Rs. 587.78 lakhs (including Rs.85.24 lakhs of dividend distribution tax) as against cash outflow of Rs. 381.26 lakhs (including Rs. 46.89 lakhs of dividend distribution tax) paid last year.

The dividend will be paid to the members whose names appear on the register of members on 25th September, 2007 and for those members holding shares in the dematerialized form, as per data of beneficiary shareholders for the said purpose provided by depositories, subject to the approval at the ensuing Annual General meeting.

BUY-BACK OF EQUITY SHARES FROM OPEN MARKET

The Board of Directors at its meeting held on 16th January,2007, approved the buy back of equity shares of the Company from Open Market through Stock Exchange Method for an amount not exceeding Rs.26.25 Crores ("Offer size") i.e. 10% of Issued, Subscribed and Paid up equity share capital of Rs. 27.86 Crores and Free Reserves of Rs.234.69 Crores which aggregates to Rs.262.55 Crores based on the audited accounts as on March 31, 2006 at the maximum price not exceeding Rs.38/- ("Maximum Buy-Back Price") per Equity Share of Rs.2/- each from existing shareholders and Beneficial owners of the shares of the Company from the Open Market through stock exchanges pursuant to Article 4 of the Articles of Association of the Company and in accordance with the provisions of Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act,1956 ("the Act") and Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 ("the Regulations"). The Buy-back is with a view to reduce outstanding Equity Shares, to optimize the return on Equity, to optimize the EPS and to enhance overall shareholders' value.

The Buy-back of Equity Shares from Open Market through Stock Exchange route through Bombay Stock Exchange Limited ("BSE") and the National

Stock Exchange of India Limited ("NSE") (together the "Stock Exchanges") using their nationwide electronic trading facilities, after undergoing required formalities for sanctions/approvals/exemptions and after giving required Public Notice and Public Announcement, commenced from 16th April,2007. The last date for the present buy-back is the earliest of January 15, 2008 or when the company has completed Buy Back to the extent of Rs. 26.25 crores under the Buy Back or such other date as may be determined by the company at anytime even if the maximum limit of Buy Back of shares has not been reached (by giving appropriate notice for such earlier date, if any).

Upto the date of this report, the Company has bought back 1,88,692 Equity Shares of Rs.-2/- each out of which 1,80,959 Equity Shares of Rs.2/- each have been extinguished by following required formalities and procedure and thereby reducing the Paid up capital of the Company from 13,93,18,490 Equity Shares of Rs.2/- each aggregating to Rs. 27,86,36,980 to 13,91,37,531 Equity Shares of Rs.2/- each aggregating to Rs.27,82,75,062.

PERFORMANCE REVIEW FOR THE YEAR 2006-07

During the year 2006-07 the company has been able to achieve Earning Before Interest Depreciation & Taxation (EBITDA) of Rs. 103 Crores for the first time in its history. The company expects to improve this performance in the coming years.

The top line of the company has improved from Rs. 1287 Crores last year to Rs. 1410 Crores registering a growth of more than 9%.

While EBITDA of the company has improved from Rs. 77 Crores to Rs. 103 Crores registering a growth of almost 34%. The profit after tax and corresponding EPS has registered a growth of 54%.

The above improvement in the performance is backed by improvement in operations in all segments.

The performance of Maize Processing division, the Cotton Yarn division, the windmills division as well as Agro Processing division has been better.

A. CAPITAL PROJECTS FOR THE YEAR 2006-07**Modernization at Maize Processing Division at Himatnagar**

The company carried out upgradation of the facilities at the Maize Processing Division at Himatnagar by modernizing various sections including major critical equipments, Effluent Treatment Plants as well as equipments in the derivative section. Besides investments have also been made in improving Micro Biological Laboratory & Quality Control Equipments. All this has improved operational performance of the division during the year under consideration.

The company has been able to get its product approved by many reputed FMCG and Multinational companies for Sorbitol, Malto Dextrine Powder, Dextrose Monohydrate, Liquid Glucose & Starches.

Modernization at various other locations

The company also improved its utilities by re-engineering, modernizing and upgrading the Effluent Treatment Plants, Captive Power Plants and various critical equipments at its Solvent Division at Kadi in Gujarat, Pithampur in Madhya Pradesh & Akola in Maharashtra as well as Cotton Yarn Division at Himatnagar in Gujarat.

The company has been able to improve the performance, efficiency and productivity at all plants.

Windmills

During the financial year 2006-07, the company further invested a sum of more than Rs. 15.83 Crores to set up 3 (three) Windmills of the total installed capacity of 3.30 MW. All these windmills have become operational & have started generating wind energy. With this investment, the Company has now total 7 (Seven) windmills with total installed capacity of 6.95 MW. All these windmills are set up in Gujarat. The company has projected a total pay back period of less than 6 years for the above investments.



GUJARAT AMBUJA EXPORTS LIMITED

Disposal of Jaipur Property

To dispose of its idle property at Jaipur, as authorized by the members in the past, the company was able to find suitable buyer and some portion of the Jaipur property was sold in the year 2006-07, while the balance of the property has been sold in the year 2007-08.

The company has been able to generate cash flow as well as profit arising on the sale of this property.

B. OPERATIONAL PERFORMANCE

Maize processing division

The year 2006-07 was a great year for the maize processing industry. The company also witnessed improved performance. The demand for the products witnessed significant growth and in spite of Maize prices increasing by almost 30-35%, the company was able to pass on the burden to the end consumers. The company has been able to get its product and quality approved from many multinational companies and also FMCG companies which has assured the growth in the years to come.

The division witnessed growth of almost 25% on the top line. The EBITDA margins of this division went up significantly high from 16% in last year to almost 20% this year and these high margins are continuing even this year.

Considering the growing importance of this division and its contribution to the top line and bottom line, the board decided to report this division as separate segment from this year.

Agro Processing Division

The Company's Agro Processing Division includes Solvent Extraction of Edible Oil Seeds, Edible Oil Refining, Wheat Processing and Cattle Feed manufacturing. During the year under consideration the company recorded its highest crushing of edible oil seeds/ cakes and also witnessed its highest export performance. The overall top line of this segment grew by only 5% but the operation of solvent extraction was higher by almost 75%. The imports of crude edible oils were lower as for most part of the year they were not profitable.

There was overall improvement in the margins in view of the improved plant efficiency and better export realization.

Cotton Yarn Division

The Company's Cotton Yarn Division has been a consistent performer and it has registered an increase in volumes by almost 30% during the year under consideration in view of additional 13000 spindles added in the March, 2006. The over all top line registered increase of 27%. The margins were in the range of 16% to 22% in the first three quarters. But the margins fell sharply to 10% in the last quarter in view of the overall market conditions.

Generally, the company was also able to improve its operational efficiency by increasing productivity through modernization of plants & equipments and the company was able to increase profitability by reducing the cost of electricity by producing more cost effective count of cotton yarn.

The margins for the 1st quarter in the year 2007-08 have improved a bit but that is mainly due to better dollar realizations in view of the exports booked in forward forex market last year when the rates were better.

Windmills

The company has windmills with total installed capacity of 6.95 MW and the performance of the windmills has been satisfactory.

On over all Analysis

On over all analysis, the performance of the company for the year under consideration has been better as compared to that of last year. With the increased profitability and the measures taken for reducing the cost and also to improve realizations by way of improving product mix and quality consciousness, the company hopes to improve its performance further for the year 2007-08.

OUTLOOK FOR THE YEAR 2007-08

The year has begun well and in the first quarter ended on 30th June, 2007, the company registered a turnover of Rs. 354 Crores as against the turnover of Rs. 302 Crores of the corresponding period last year registering a growth of 17%.

During this period the company has registered a EBITDA of 8.91% at Rs. 31.52 Crores as against EBITDA of 7.84% at Rs. 23.69 crores during the corresponding period last year. The cash profit was at Rs. 29.41 crores as against Rs. 21.67 crores during the corresponding period last year.

Net profit (PAT) was at Rs.14.11 crores as against Rs. 9.43 crores in the corresponding period last year registering a growth of 50% to clock the EPS at 1.01 for this period of 3 months on the equity share of Rs. 2/- each.

With a good beginning the company expects to improve over all operating margins and expects to report an improved performance for the year 2007-08.

CAPITAL PROJECTS IN THE YEAR 2007-08

Expansion of Cotton Yarn

The company had initiated expansion project to set up 31000 spindles mill adjacent to its existing Cotton Yarn Mill at Himatnagar in Gujarat. The company acquired land and also carried out the preliminary construction for the factory building. It also placed orders for whole range of plant and machinery.

Suddenly from March 2007, US- Rupee Exchange rate and the export market for Cotton Yarn Business came to be seriously adversely affected. With huge money supply available and with the improvement in the Indian economy, Reserve Bank of India pulled back from intervening in influencing USD – INR exchange rate resulting in huge appreciation almost 8% in Rupee against US \$ in the period of just 3 months.

Simultaneously, the price of cotton yarn in the export market fell, while, the import price of cotton have started rising since last 2 months. The domestic crop of cotton is also increasing with an increased procurement price.

Another major blow was hit to the cotton textile industry when the textile ministry put the TUF (Textile Upgradation Fund) scheme on hold in spite of announcement made by the Hon'ble Finance Minister during his budget speech that TUF Scheme was extended till 31-03-2012.

The expansion project of the company therefore was required to be revisited & relooked in this context.

After witnessing the trend in the industry as well as scope of improvement in future, the Directors have unanimously decided to keep the project in abeyance for the time being.

Setting up of Maize Processing Plant at Uttaranchal

The company has initiated setting up of 500 Tons Per day Maize Crushing plant at Uttaranchal in August 2006.

After acquiring the land, the company has commenced the project commissioning in the right earnest and it is expected that the project would be ready for trial run in the last week of August 2007. The commercial production is expected to commence in the last week of September 2007.

The project will be set up under the incentive scheme of Central Government where there is complete excise exemption for a period of 10 years and Income tax exemption on the profits earned from the project.

The project is set up with most modern technology where there would be optimization of requirement of labour force.

The total project cost is expected at Rs. 65 Crores, which is being met through internal accruals.

With the setting up of this project, the company will be able to further improve its topline and bottom line as the margins from this project are expected even better in view of excise exemption as well as freight advantage as compared to the other competitors.

16TH ANNUAL REPORT 2006-2007**CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS (Including aspects of Performance, Opportunities, Threats & Industries' Analysis)****Corporate Governance**

The Company continues to comply with the 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 and forms part of the Directors' Report.

Management Discussion and Analysis**Overall Review of Economy****Economic Outlook**

India's potential in agriculture stands unrivalled mainly because of its large resource base and the existence of varied agro-climatic zones, which offers opportunities of producing a wide range of agriculture products all the year round. India accounts for 11.9% of the global arable land with 162 million hectares spread across the country. The only country with a larger arable land is the United States. But in terms of availability of irrigated land, it ranks ahead of the U.S. In fact, with 55 million hectares of irrigated land, India ranks first among all nations and it accounts for 20% of the irrigated land.

India's ranking in Global Agriculture

India's position in global agriculture is strengthened by the significantly large contribution to the food grain output. Its share in global cereal output was 11.1% and ranked third next only to China and the United States. The country accounted for more than one fifth of the global paddy production and it was the second only to China in this regard.

In the case of wheat, India's share in global output is 11.7% and it is ranked third after China and the United States. The Country's position among the coarse cereal producers was 4th. India is also an important producer of oil seeds like groundnut, rapeseed and Soyabeans.

The Company

The year 2006-07 witnessed further consolidation by the company in all its business activities. The company was able to achieve a higher turnover at Rs. 1410 Crores as compared to Rs. 1287 Crores of the previous year thereby registering an increase of almost 9%.

The export for the year under consideration was higher at Rs. 538 Crores as compared to Rs. 410 Crores last year.

Segment wise Performance

The company's presence is in Cotton Yarn, Maize processing, Other Agro processed products & Windmills.

Maize Processing activities

The company is one of the very few professionally run maize processing companies in India and the only company which is not pure maize processing company. This has always given an edge over the others because the company has been able to give the benefit of financial leverage to the maize processing division to make it more competitive. The maize processing division of the company has been registering the highest EBITDA since last 3 years amongst all maize processing companies of India.

The company's focus has been to improve the visibility of its maize processing segment by bringing in as many institutional customers as possible. This has enabled the improvement in overall realizations of the company. The company also continued its penetration in domestic market for sales of maize based products and has set up marketing net work in more than 18 states in India. The company's products like Sorbitol, Malto Dextrine Powder, Dextrose Monohydrate, Liquid Glucose & Starch have wide acceptance amongst industrial as well as retail consumers.

This segment has tremendous potential and the company is very focused to see that the division gets its due weightage.

Agro Processing activities

The company is engaged in Solvent Extraction of Oil Seeds as well as Refining of Edible Oil, which contributes substantially to top line.

Wheat Flour & Cattle Feed Divisions continued to operate at its normal levels and contributed a little to the top line as well as bottom line.

Cotton Yarn

The company's Cotton Yarn Mill is a 100% EOU which produces Ring Spun Yarn & Open End Yarn. Ring Spun Yarn Division produces yarn in the count range of 16's & 40's and the Open End Yarn division produces yarn in the count range of 4s to 6s.

The company was able to improve its presence in the world market with increase in exports in quantity terms.

The company has been able to generally maintain the profitability because of change over in the product mix by producing more cost effective count of yarn and by changing the cotton procurement from time to time.

Wind mills division

The company has installed total 7 windmills with the total capacity of 6.95 MW. All are set up in Gujarat and are operational. The performance of the windmills have been near to the projections. The carbon credits which is vital to the project are under final appraisal stage. The carbon credit project has already received the host-country approval and the vetting by the audit agencies is in final stages. The company hopes to get recognition for the carbon credits at the earliest.

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.

CAUTIONARY STATEMENT

Statements in the management Discussion and Analysis and current year's outlook are management's perception at the time of drawing this report. Actual results may be materially different from those expressed in the statement. Important factors that could influence the Company's operations include demand and supply conditions, availability of inputs and their prices both domestic and global, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

FINANCE AND INSURANCE**Working Capital**

The Company has strong Financial Structure and leverage. The Company has been receiving excellent support from its present bankers.

Term Loans

The company had availed term loan of Rs. 10.37 Crores from Bank of India under the Textile Upgrading Scheme (TUF Scheme) as on 31-03-2006. Thereafter the Company has further drawn a sum of Rs. 14.63 Crores from Bank of India under the TUF Scheme for the modernization & expansion of the Cotton Yarn Mill.

Besides, the company also took disbursement of loan from IREDA of Rs.3.99 crores towards windmills set up last year.

The company is seeking further disbursement of loans sanctioned by IREDA of Rs. 7.45 Crores.



GUJARAT AMBUJA EXPORTS LIMITED

The present long term debt- equity ratio of the company as at 31st March, 2007 is 0.09.

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.

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 duly paid annual Listing fees due for the year 2007-2008 to respective Stock Exchanges.

Dematerialisation

The Equity Shares of the Company are under compulsory demat from 24th 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.

THE DIRECTORS AND OTHER EXECUTIVES

The Company is well supported by the knowledge and experience of its Directors and Executives. Pursuant to the provisions of the Companies Act and Articles of Association of the Company, Shri Rohit J Patel, Shri Mohit V Gupta and Shri Chaitan M Maniar, the Directors of the Company are liable to retire by rotation and being eligible, have offered themselves for re-appointment.

The Remuneration Committee and the Board of Directors have recommended and approved, subject to approval of the members at the General Meeting,

- 1) revision in terms of remuneration of Shri P.G. Makhija, Executive Director w.e.f. 1st November, 2006 for the remaining period of his tenure i.e. upto 27th December, 2007
- 2) The re-appointment of Shri P.G. Makhija as Executive Director for further period w.e.f. 28th December, 2007 till 31st March, 2011 and
- 3) re-appointment of Shri Vijay Kumar Gupta as Managing Director for further period from 18th April, 2008 to 31st March, 2013.

The above businesses are recommended for approval of the members.

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 31st March 2007, 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 31st March, 2007 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 to this report and forms part of this report.

PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

There is no employee drawing 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 and hence provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

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

AUDITORS AND AUDITORS' REPORT

You are requested to appoint M/s. Kantilal Patel & Company, Chartered Accountants and the present Auditors of the Company to hold the office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. They being eligible for re-appointment 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 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.

ACKNOWLEDGEMENT

Your Directors acknowledge the continuous support of the Banks, 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.

Place : Ahmedabad For and on behalf of the Board of Directors
Date : 28th July, 2007

Vijay Kumar Gupta
Chairman and Managing Director

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted Code of conduct for its employees including for the Executive and Non Executive Directors of the Company and Senior Management Personnel. The Code of conduct and business ethics are posted on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2007, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors as on March 31, 2007.

Place : Ahmedabad
Date : 28th July, 2007

Vijay Kumar Gupta
Chairman and Managing Director