



Committed to Growth



20th Annual Report 2010-11

**GUJARAT AMBUJA
EXPORTS LIMITED**



Well diversified still focused on Agro Processing





Gujarat Ambuja Exports Limited

Regd. Office: "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, PO. Navjivan, Ahmedabad-380 014
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20th ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS	
Mr. Vijay Kumar Gupta, Chairman & Managing Director	
Mr. Manish V. Gupta, Managing Director	
Mr. Mohit V. Gupta, Joint Managing Director	
Mr. Sandeep N. Agrawal, Whole Time Director	
Mrs. Sulochana V. Gupta	
Mr. Jagdish Sharan Varshneya	
Mr. Chaitan M. Maniar	
Mr. Prakash G. Ramrakhiani	
Mr. Ashok C. Gandhi	
Mr. Rohit J. Patel	
Vice President (Finance & Accounts)	
Mr. N. Giridhar	
Company Secretary	
Mr. Manan C. Bhavsar	
AUDITORS	
M/s. Kantilal Patel & Co., Chartered Accountants, (A member firm of Polaris International, USA).	
BANKERS	
1. Bank of India	2. Punjab National Bank
3. Union Bank of India	4. HDFC Bank Limited
5. State Bank of Mysore	
SHARE TRANSFER AGENT (PHYSICAL & ELECTRONIC FORM)	
M/s. Jupiter Corporate Services Limited "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad – 380 014.	
WHOLLY OWNED SUBSIDIARY	
Gujarat Ambuja International Pte. Ltd., Singapore	
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PLANTS	
Sr.	Name of Unit and Location
1	Cotton Spinning Division Vil. Dalpur, Dist. Sabarkantha, Gujarat
2	Bio-Chemical Division (Maize Processing) Vil. Dalpur, Dist. Sabarkantha, Gujarat
3	Edible Oil Refineries & Vanaspati Ghee Unit Kadi, Dist. Mehsana, Gujarat
4	Solvent Extraction Unit-I Nani Kadi, Dist. Mehsana, Gujarat
5	Solvent Extraction Unit-II Kadi, Dist. Mehsana, Gujarat
6	Solvent Extraction Unit-III Kadi, Dist. Mehsana, Gujarat
7	Solvent Extraction Unit-IV Pithampur, Dist. Dhar, 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. 43/1/P Village: Moti Sindhodi, Tal: Abdasa, Dist. Kutch
g.	WTG No.2, V-7, Survey No. 36/2/P Village: Moti Sindhodi, Tal: Abdasa, Dist. Kutch
h.	Survey No. 115/P, Village Mindiyali, Tal : Anjar, Dist. Kutch.

SCHEDULE OF ANNUAL GENERAL MEETING

Day : Thursday	Date : 11 th August, 2011	Time : 11.00 a.m.
Venue : H.T. Parekh Hall, 1st Floor, Ahmedabad Management Association (AMA), AMA Complex, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015.		



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 dtd. 21-04-2011 and 18/2011 dtd. 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 2011-12 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 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

SHAREHOLDERS' REFERENCER

Members holding Shares in physical form

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

Members holding Shares in Dematerialised form

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

Dividend (Physical and Demat Shares)

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

Share Transfer Agent

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



NOTICE

Notice is hereby given that the 20th Annual General Meeting of Members of **GUJARAT AMBUJA EXPORTS LIMITED** will be held on Thursday, the 11th August, 2011 at 11.00 a.m. at H.T. Parekh Hall, 1st Floor, Ahmedabad Management Association (AMA), AMA Complex, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380015 to transact following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, Profit & Loss Account for the year ended on that date and Directors' Report and Auditors' Report thereon.
2. To confirm the payment of interim dividend on Equity Shares for the Financial Year 2010-11 as final dividend for Financial Year 2010-11.
3. To appoint a Director in place of Mr. Ashok C. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Sulochana V. Gupta, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Sandeep N. Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint statutory auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

7. **Revision in terms of remuneration of Shri Siddharth Agrawal, Vice President (Works) of the Company**

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

"RESOLVED THAT in super session of the earlier resolution passed by the Members at the 19th Annual General Meeting held on 28th September, 2010 and pursuant to the provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of increased remuneration to Shri Siddharth Agrawal, the Vice President (Works), a relative of Shri Sandeep Agrawal, the Whole time Director of the Company of ₹ 1,40,000/- per month with effect from 1st June, 2011, within the overall maximum ceiling of ₹ 2,50,000/- per month (plus encashment of leave and retirement benefits as per policy of the Company from time to time), as may be decided by the Board of Directors of the Company from time to time."

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

By Order of the Board

Vijay Kumar Gupta

Chairman and Managing Director

Place : Ahmedabad

Date : May 27, 2011

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. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business, as set out above is annexed hereto.
3. Register of members and share transfer books of the Company will remain closed from 1st August, 2011 to 11th August, 2011 (both days inclusive).
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names are requested to send share certificates to Share Transfer Agent of the Company, for consolidation into a single folio.
6. Members are requested to bring their attendance slip along with their copy of Annual Report at the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Unclaimed dividends upto 2002-2003 have been deposited with the Central Government and/or Investors Education and Protection Fund, as the case may be. Unclaimed dividend for the year 2003-2004 & onwards will be deposited with the Investors Education and Protection Fund as per following chart. Those members, who have not encashed the dividend warrant for these years are requested to immediately forward the same, duly discharged to the Company's Share Transfer Agent to facilitate payment of the dividend.

Financial Year	Date of AGM	Date of Dividend Warrant	Due Date of Transfer to Unpaid Account	Due Date of accepting claim by the Company	Due date for Transfer to Investors Education and Protection Fund
2003-04	23.09.2004	28.09.2004	28.10.2004	23.09.2011	28.10.2011
2004-05	22.09.2005	26.09.2005	27.10.2005	22.09.2012	27.10.2012
2005-06	09.09.2006	13.09.2006	14.10.2006	09.09.2013	14.10.2013
2006-07	25.09.2007	27.09.2007	30.10.2007	25.09.2014	30.10.2014
2007-08	29.09.2008 Interim : Note:a	01.02.2008	26.02.2008	22.01.2015	26.02.2015
2007-08	29.09.2008 (Final)	04.10.2008	03.11.2008	29.09.2015	03.11.2015
2008-09	24.09.2009 Interim : Note:b	16.05.2009	03.06.2009	29.04.2016	03.06.2016
2009-10	28.09.2010 Interim : Note:c	15.02.2010	06.03.2010	30.01.2017	06.03.2017
2010-11	01.02.2011 Interim : Note:d	21.02.2011	08.03.2011	01.02.2018	08.03.2018

- Note:**
- a. For F.Y. 2007-08 Interim Dividend @ 20% p.a. was approved at the meeting of Board of Directors held on 22.01.2008 and was paid as interim dividend and the same was approved/ confirmed by the members at the 17th Annual General Meeting held on 29th September, 2008.
 - b. For F.Y. 2008-09 Interim Dividend @ 20% p.a. was approved at the meeting of Board of Directors held on 29.04.2009 and was paid as interim dividend and the same was approved/ confirmed by the members at the 18th Annual General Meeting held on 24th September, 2009.
 - c. For F.Y. 2009-10 Interim Dividend @ 20% p.a. was approved at the meeting of Board of Directors held on 30.01.2010 and was paid as interim dividend and the same was approved/ confirmed by the members at the 19th Annual General Meeting held on 28th September, 2010.
 - d. For F.Y. 2010-11 Interim Dividend @ 30% p.a. i.e. ₹ 0.60 per Equity Share of ₹ 2/- each for F.Y. 2010-11 (20% p.a. based on performance of the Company and 10% p.a. on account of Silver Jubilee year of Group inception) was approved at the meeting of Board of Directors held on 01.02.2011 and the same had



been paid to members/ beneficial owners as on record date. The approval of members to confirm the payment of interim dividend as final dividend for F.Y. 2010-11 is sought for, at the ensuing Annual General Meeting.

9. 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.
10. Pursuant to General Circular no. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, copy of annual accounts of the subsidiary company and the related detailed information will be made available to shareholders of the Company and subsidiary company, desirous of seeking such information at any point of time. Same are also kept for inspection by any shareholders at the Registered Office of the Company as well as at the Registered Office of the subsidiary company, during its business hours. Members may note that hard copy of details of accounts of the Subsidiary company shall be furnished to any Shareholders on demand.
11. 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.
12. Appointment/ Re-appointment of Directors (Information pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Mr. Ashok C. Gandhi, Mrs. Sulochana V. Gupta and Mr. Sandeep N. Agrawal retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective reappointments. The information or details to be provided for the aforesaid Directors under the corporate governance code are as under:

- (a) Mr. Ashok C. Gandhi, aged 72 years is B.Com., LL.B., and Advocate. He is on the Board of the Company since 24.07.2003 as an independent professional Director. He is a partner of well known firm of Advocates, M/s. C. C. Gandhi & Co., one of the eminent and reputed firms in Ahmedabad and has rich experience of more than 40 years in the legal profession. He is also on the Board of Amol Dicalite Limited, Jayatma Spinners Limited, Aarvee Denims & Exports Limited, Ahmedabad Steel Craft Limited, Dishman Pharmaceuticals and Chemicals Limited and Mafatlal Industries Limited. He is also Member of Audit Committee of the Company, Aarvee Denims & Exports Limited, Ahmedabad Steel Craft Limited, Dishman Pharmaceuticals and Chemicals Limited and Mafatlal Industries Limited. He is also Member of Shareholders' Grievance Committee of Dishman Pharmaceuticals and Chemicals Limited. He is also member of Remuneration Committee of the Company, Amol Dicalite Limited, Aarvee Denims & Exports Limited, Ahmedabad Steel Craft Limited and Dishman Pharmaceuticals and Chemicals Limited.

He is a Non-Executive & Independent Director and not related with any other Director(s) of the Company.

He is holding 2500 equity shares of Gujarat Ambuja Exports Limited as on 31.03.2011.

- (b) Mrs. Sulochana V. Gupta aged 58 years is industrialist and promoter of Gujarat Ambuja Exports Limited (Company) and possesses rich experience of 34 years. She supervises and monitors administrative functions of the Company. She also actively contributes in the policy decisions of the Company. She is on the Board of Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited, Esveegee Realty (Gujarat) Pvt. Ltd., Esveegee Starch and Chemicals Pvt. Ltd. and Esveegee Breweries Pvt. Ltd. She is also Chairman of Shareholders'/ Investors' Grievances Redressal Committee of the Company.

She is a Non-Executive Director & Promoter & wife of Mr. Vijay Kumar Gupta and mother of Mr. Manish V. Gupta and Mr. Mohit V. Gupta. She is not related with any other Director(s) of the Company.

She is holding 44,85,385 equity Shares of Gujarat Ambuja Exports Limited as on 31.03.2011.

- (c) Mr. Sandeep N. Agrawal, aged 40 years is a Commerce Graduate and MBA. He is associated as Director with Gujarat Ambuja Exports Limited (Company) since 1995. Presently, he is Whole Time Director of the Company. He possesses varied and rich experience of more than 20 years. He is not on the Board of any other company.

He is an Executive & Non Independent Director of the Company and not related with any other Director(s) of the Company.

He does not hold any equity shares of Gujarat Ambuja Exports Limited.

ANNEXURE TO NOTICE

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

ITEM NO. 7

Revision in terms of remuneration of Shri Siddharth Agrawal, Vice President (Works) of the Company.

The Members of the Company at their 19th Annual General Meeting held on 28th September, 2010 have accorded their approval to increase in remuneration payable to Shri Siddharth Agrawal as Vice President (Works), a relative of Shri Sandeep Agrawal, the Whole time Director of the Company from ₹ 45,000/- per month to ₹ 1,00,000/- per month for a period of 5 years with effect from 1st October, 2010, within the overall maximum ceiling of ₹ 2,00,000/- per month (plus encashment of leave and retirement benefits as per policy of the Company from time to time), as may be decided by the Board of Directors of the Company.

The Member may further note that the Company had received the Order of approval dated 05-01-2011 from the Central Government permitting total remuneration payable to Shri Siddharth Agrawal of ₹ 10,80,000/- per annum.

The Members may be aware that the Central Government has vide Notification no. GSR 357(E) dated 2nd May, 2011 notified the Directors' Relatives (Office or Place of Profit) Rules, 2011 and raised the remuneration limits from ₹ 50,000/- per month to ₹ 2,50,000/- per month that can be paid to relative of a Director without approval of the Central Government. Accordingly, a relative of Director may be appointed to hold office or to a place of profit at a remuneration of less than ₹ 2,50,000/- per month, with the approval of Members of a Company, by way of Special resolution.

As, the Central Government had given approval for the lower remuneration then requested and in light of notification of aforesaid Rules, it is proposed to pay remuneration of ₹ 1,40,000/- per month with effect from 1st June, 2011, within the overall maximum ceiling of ₹ 2,50,000/- per month (plus encashment of leave and retirement benefits as per policy of the Company from time to time).

Shri Siddharth Agrawal, aged 34 is a Commerce graduate having more than 7 years experience in the fields of management, marketing and administration.

Considering the knowledge, experience, potential to contribute for growth of the Company and the current market trends for remuneration in the industry, the Remuneration & Selection Committee and the Board of Directors of the Company at their respective meetings held on 27th May, 2011, recommended the resolution for approval of Members of the Company for payment of remuneration of ₹ 1,40,000/- per month with effect from 1st June, 2011, within the overall maximum ceiling of ₹ 2,50,000/- per month (plus encashment of leave and retirement benefits as per policy of the Company from time to time).

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

The Directors recommend the passing of the resolution proposed at Item No. 7 of the accompanying Notice as a Special Resolution.

By Order of the Board

Vijay Kumar Gupta

Chairman and Managing Director

Place : Ahmedabad

Date : May 27, 2011



Directors' Report

To,

The Members,

Gujarat Ambuja Exports Limited

Your Directors have pleasure in presenting 20th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

The summary of the financial results is given below:

(₹ in Crores)

PARTICULARS	STANDALONE	
	2010-11	2009-10
NET TURNOVER & OTHER INCOME (INCLUDING EXPORTS- FOB VALUE)	1953.78 547.24	1414.64 412.92
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES	155.12	117.50
LESS:		
INTEREST & FINANCE CHARGES	10.95	8.74
DEPRECIATION	29.23	27.91
PROVISION FOR TAXATION (INCL.DEFERED TAX)	25.38	30.09
ADD : PRIOR PERIOD ITEMS	4.54	9.26
NET PROFIT FOR THE YEAR	94.10	60.02
ADD: BALANCE OF PROFIT CARRIED FORWARD	239.70	190.70
TOTAL PROFIT AVAILABLE FOR APPROPRIATION	333.80	250.72
APPROPRIATED AS UNDER		
INTERIM DIVIDEND	8.30	5.53
DIVIDEND DISTRIBUTION TAX ON INTERIM DIVIDEND	1.38	0.94
TRANSFER TO GENERAL RESERVE	10.00	4.55
TOTAL APPROPRIATION	19.68	11.02
BALANCE CARRIED TO BALANCE SHEET	314.12	239.70

SILVER JUBILEE YEAR OF GUJARAT AMBUJA GROUP SINCE ITS INCEPTION

The Gujarat Ambuja Group entered into 25 years of its successful operation during the year under review since its inception. During the journey of last 24 years, the Group has withstood, survived and carved path of growth for itself by surmounting challenges, changes and hurdles. In this journey of last 24 years, the Group strived to achieve par excellence in all spheres of business, operations, management and corporate governance.

DIVIDEND

The Board of Directors had declared interim dividend @ 30% p.a. i.e. ₹ 0.60 per Equity Share of ₹ 2/- each for F.Y. 2010-11 (20% p.a. based on performance of the Company and 10% p.a. on account of Silver Jubilee year of Group inception) at its meeting held on 1st February, 2011 and the same had been paid to eligible members and/or beneficial owners.

The total cash outflow for dividend during the year was ₹ 967.98 lacs (P.Y. ₹ 647.46 lacs) including dividend distribution tax of ₹ 137.87 lacs (P.Y. ₹ 94.05 lacs).

In view of conserving resources for future expansion plans of the Company, your Directors do not recommend any further dividend for the financial year 2010-11. The members are requested to approve the interim dividend for F.Y. 2010-11 as final dividend.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 1000 lacs to the General Reserve out of the total amount available for appropriations and an amount of ₹31412.23 lacs is proposed to be carried forward to Balance sheet.

BUSINESS OPERATIONS

A. Operational Performance

The Company recorded a turnover of ₹1949 crores as compared to ₹1408 crores during the previous financial year registering growth of more than 38 % compared to previous financial year. Export sales (F.O.B. Value) for the year 2010-11 was ₹ 547.24 crores as compared to ₹ 412.92 crores for the year 2009-10. In respect of operating & cash profits, the Company has performed on better scales as compared to previous financial year. The Company achieved Earning before Interest, Depreciation and Tax (EBIDTA) of ₹ 155.12 crores for the year 2010-11 against that of ₹ 117.50 crores for the year 2009-10 i.e. an increase of 32%.

The Cash Profit, Profit after tax and EPS for the year remained ₹144.17 crores, ₹94.10 crores and ₹6.80 per share respectively.

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

B. Capital Projects for the year 2010-11

The Board of Directors is glad to inform that the Company successfully completed projects of generating power from Bio Gas for its Corn processing units at Himatnagar & Sitarganj. The Company has installed Bio Gas Engine at both the units for power generation. This initiative also takes care of carbon reduction and environmental friendly approach of the Company. The project is forward integration of the Bio Gas generation from the Corn processing effluent. With the success of these projects, the Company has put additional infrastructure for the bio gas generation at both the units. The generation



of additional bio gas has already begun in F.Y. 2010-11 and the Company is also putting engine at each unit for forward integration of bio gas into power in the current F.Y. Such projects are capital incentive and their sustainability is based on CDM/ VCS revenue from such project. Other than above, the Company has made further investment at existing units of all segments for new plant and machinery, upgrading the technology and revamping the existing production facilities to increase the productivity and yield. During the year under report, new fixed assets totaling ₹ 29.62 Crores were bought. Above all, the Company is now expanding its geographical presence in India by setting up a new 750 TPD Corn Processing Unit at Haveri District in the state of Karnataka. The total outlay is about ₹125 Crores and the project is expected to commence commercial production by end of December, 2011. The project is in the close proximity to Corn growing areas of Andhra Pradesh and Karnataka. It is also in the close proximity to South East and South West ports of India and this would help the Company to cater the global market of the respective regions.

CORPORATE MATTERS

Corporate Governance

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

Management Discussion and Analysis

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

SUBSIDIARY COMPANY AND CONSOLIDATED ACCOUNTS

As per General Circular no. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, the Board of Directors of the Company at its meeting held on 27th May, 2011 has given consent for not attaching the balance sheet of Gujarat Ambuja International Pte. Ltd., the wholly owned subsidiary company. As per said circular, the Company has presented in this annual report, the consolidated financial statements of holding company and the subsidiary company duly audited by its statutory auditors, which is forming part of the Report. The consolidated financial statement is prepared in compliance with applicable Accounting Standards and the Listing Agreement entered into with the Stock Exchanges. A Statement of Financial Information on Subsidiary detailing (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend is also forming part of the Report.

DELISTING OF EQUITY SHARES FROM AHMEDABAD STOCK EXCHANGE LTD.

The Company is filing an application for delisting of its equity shares from Ahmedabad Stock Exchange Ltd. pursuant to resolution passed by the Board of Directors of the Company at its meeting held on 27th May, 2011. Equity shares of the Company are currently not being traded at the floor of Ahmedabad Stock Exchange Ltd. However, the equity shares will continue to trade on the floor of National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd., which have nationwide trading terminals and investors can conveniently trade equity shares of the Company at the said stock exchanges.

FINANCE AND INSURANCE

Working Capital

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

Term Loans

During the year under review, the Company has not availed term loan from any Banks/Financial Institutions. The Company is regular in repayment of all term loans.

Insurance

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

PUBLIC DEPOSITS

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

DIRECTORS

The Company is well supported by the knowledge and experience of its Directors and Executives. Pursuant to provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ashok C. Gandhi, Mrs. Sulochana V. Gupta and Mr. Sandeep N. Agrawal, the Directors of the Company are liable to retire by rotation and being eligible, have offered themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) that in preparation of the annual accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed and there are no material departures from the same;
- (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 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 of the Company for the financial year ended 31st March, 2011 on a 'going concern' basis.



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

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

PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

Details of employees drawing remuneration of not less than ₹60,00,000/- per annum, where employed for full year or ₹5,00,000/- per month, where employed for a part of the year pursuant to provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is attached as **Annexure-D** to this report and forms part of this report.

The Cash flow Statement and Balance-sheet Abstract & Company's General Business Profile apart from other statutory information as stated above is also attached herewith.

AUDITORS AND AUDITORS' REPORT

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

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

COST AUDITOR

As per Order No. 52/139/CAB/1998 dated 30/10/1998 of the Central Government, the Board of Directors of the Company had appointed M/s. Mahavir Jain & Associates, the Cost Accountants, 120, Heera Panna Market, Gandhinagar, Bhilwara, Rajasthan (Membership No. 23060) as Cost Auditor for the Cotspin Division of the Company for the financial year 2010-11 at its meeting held on 26th April, 2010. The Company received approval of appointment from the Central Government vide its letter dated 26th May, 2010. Cost Audit Report in terms of provisions of Section 233B(4) of the Companies Act, 1956 read with the Cost Audit (Report) Rules, 2001 will be filed with the Central Government within 180 days from the close of financial year ending on 31.03.2011. The Members may further note that as per General Circular no. 15/2011 dated 11/04/2011 issued by the Ministry of Corporate Affairs, the Board of Directors of the Company at its meeting held on 27th May, 2011 has appointed M/s. N. D. Birla & Co., as Cost Auditor for the Cotspin Division of the Company for the financial year 2011-12.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

Listing

At present, Equity Shares of the Company are listed on Ahmedabad Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid annual Listing fees for the financial year 2011-2012 to respective Stock Exchanges. The Company is seeking delisting of its Equity Shares from Ahmedabad Stock Exchange pursuant to decision of the Board of Directors of the Company.

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 ₹2/- each.

CORPORATE SOCIAL RESPONSIBILITY

The function of Corporate Social Responsibility has been actively pursued during the year. During the year, the Company has undertaken directly and indirectly various initiatives contributing to the environment including reduced waste generation, improved waste management, implementing environmental plan through power generation, utilizing bio waste etc. The Company also developed comprehensive plan for carrying out activities focusing on education, health programmes and skill development and supporting various community development projects in locations, where the Company operates. The Company has consistently demonstrated its commitment to have positive relations with communities around the Company's plants. As a part of celebrations of Silver Jubilee Year of Gujarat Ambuja Group inception, the Company organized various events like Blood donation Camps, Tree Plantation, etc. as the steps towards Corporate Social responsibility.

ENHANCING SHAREHOLDERS VALUE

The Company accords top priority for creating and enhancing Shareholders value. All the Company's operations are guided and aligned towards maximizing Shareholders value.

APPRECIATION & ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place: Ahmedabad

Date : May 27, 2011

Vijay Kumar Gupta
Chairman & Managing Director



ANNEXURE-A TO DIRECTORS' REPORT : CORPORATE GOVERNANCE

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

1. Company's philosophy on code of Corporate Governance

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

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

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

2. Board of Directors

During the year, the Board of Directors of the Company comprised of 10 (Ten) members. The Company has Executive Chairman and out of 10 (Ten) Directors on the Board, 6 (Six) were Non-Executive Directors and out of 6 (Six) Non- Executive Directors, 5 (Five) Directors (more than 50% of total) were Independent Directors.

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

(A) The names and categories, inter personal relationship of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting (AGM), as also the number of Directorships in other Companies and Committee memberships/chairmanships held by them as on 31.03.2011 are given below

Name of Director	Category & Inter Personal relationship as on 31.03.2011	Attendance Particulars		No. of Directorships and Committee membership/ chairmanship (as on 31.03.2011)		
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships
Mr. Vijay Kumar Gupta	Executive Director & Promoter Husband of Mrs. Sulochana V. Gupta and father of Mr. Manish V. Gupta and Mr. Mohit V. Gupta	5	Yes	9 (including 7 private limited)	1	Nil
Mr. Manish V. Gupta	Executive Director & Promoter Son of Mr. Vijay Kumar Gupta and Mrs. Sulochana V. Gupta and brother of Mr. Mohit V. Gupta	5	Yes	9 (including 4 private limited)	Nil	Nil
Mrs. Sulochana V. Gupta	Non-Executive Director & Promoter Wife of Mr. Vijay Kumar Gupta and mother of Mr. Manish V. Gupta and Mr. Mohit V. Gupta	5	No	5 (including 3 private limited)	Nil	1
Mr. Sandeep N. Agrawal	Executive & Non Independent Director Not related	5	Yes	None	Nil	Nil
Mr. Jagdish Sharan Varshneya	Non-Executive & Independent Director Not related	5	Yes	6 (including 3 private limited)	Nil	3
Mr. Chaitan M. Maniar	Non-Executive & Independent Director Not related	5	Yes	17 (including 2 private limited)	8	1
Mr. Prakash G. Ramrakhiani	Non-Executive & Independent Director Not related	5	Yes	1 private limited	1	Nil
Mr. Ashok C. Gandhi	Non-Executive & Independent Director Not related	5	Yes	6	7	Nil
Mr. Rohit J. Patel	Non-Executive & Independent Director Not related	5	Yes	3 (including 1 private limited)	2	Nil
Mr. Mohit V. Gupta	Executive & Non Independent Director Son of Mr. Vijay Kumar Gupta and Mrs. Sulochana V. Gupta and brother of Mr. Manish V. Gupta	3	No	3 private limited	Nil	Nil

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