



GUJARAT AMBUJA
EXPORTS LIMITED

27th Annual Report
2017-2018



Shri Vijaykumar Gupta
(1st July, 1949 – 23rd May, 2018)

*Journey of thousand miles through wisdom of power of “will”
the beginner, creator and executor of his dreams*



मनुष्यः स्व विश्वासेन निर्मितः ।
यत् विश्वास करोति तेन इव भवति ॥

*Man is made by his belief.
As he believes, so he is.*

*You dream you are the doer,
You dream that action is done,
You dream that action bears fruit.
It is your ignorance,
It is the world's delusion,
That gives you these dreams.*

Scan this code with
a QR reader app on
your smartphone or
tablet to download
the Annual Report



FORWARD-LOOKING STATEMENT

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. New risks and uncertainties come up from time to time and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.



Journey at a Glance



His courageous and determined nature and interest in business inspired him to shift in the State of Gujarat and he got settled with family in Ahmedabad, Gujarat



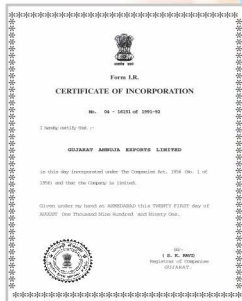
A legend was born in 1949 at Sangaria City in Dist. Hanumangadh in the State of Rajasthan to Shri Durgaprasad & Smt. Bishni Devi



Commenced first oil mill in Kadi, Mehsana, Gujarat. Untiring and dedicated support of his wife Smt. Sulochana Gupta was instrumental in his growth



1st Plant at Kadi Gujarat



The inception of
"Gujarat Ambuja Exports Limited"



1949

1984-86

1991-92



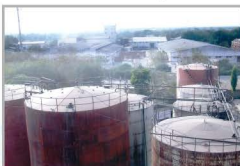
Gujarat Ambuja Exports Limited



Journey at a Glance



2 More Solvent Extraction Plants at Kadi & Pithampur



1st Solvent Extraction Plant, Kadi Cattle Feed Mill, Kadi



SOPA Award for 1st Highest Exporter for the year 2003-2004



Globoil Silver Award for Highest Exporter of Oil Meals in 2001



The Solvent Extractions Association of India Mumbai, SEA Award for Highest Exporter of Kadi (Safflower) Extraction in 1997-98



Shri Vijaykumar Gupta was awarded the Udyog Rattan Award presented by The Institute of Economic Studies



GUJARAT AMBUJA EXPORTS LIMITED
Kadi Office - 380001 Kadi Taluka, District - Rajkot

Public Issue of 37,80,000 Equity Shares of Rs. 10/- each for cash at par

HIGHLIGHTS

- Promoter's Square Investment Project Group
- Project for the introduction of refined Castor Oil which has high demand
- Castor Oil is widely used in industries, lubricants and chemicals
- Investment and benefits to Kadi Taluka
- Cash flow - Profitable investment for Rs. 10/- per share
- Cash payable - 100% at the time of subscription, 100% at the time of allotment

RISK FACTORS

The project is subject to the following risks: 1. The project is subject to the risk of change in the market price of castor oil. 2. The project is subject to the risk of change in the market price of refined castor oil. 3. The project is subject to the risk of change in the market price of refined castor oil. 4. The project is subject to the risk of change in the market price of refined castor oil.

ISSUE OPENS ON APRIL 21, 1992.

FOR INFORMATION TO THE PUBLIC

COMPANIES

INTERMEDIARIES

REGULATORY BODIES

Gujarat Ambuja Exports went public with IPO issue aggregating ₹ 3.78 crores which was oversubscribed by public. The issue was to part-finance a project for crushing castor seed with a capacity of 65000 M.T., setting up a refinery with a capacity of 40000 M.T. per annum at Kadi

1992

1993-94

1995-2004



Gujarat Ambuja Exports Limited



Journey at a Glance



Commissioning 2MW Lignite based captive Co-generation power plant at Maize Processing Unit, Himmatnagar



Commissioning Wheat Atta Chakki Mill, Pithampur



Commissioning India's largest Solvent Extraction Plant at Akola with 1500 TPD & Refinery with 300 TPD



Concor Impex Award for North West Region in 2005 for 1st Exporter



Shri Vijaykumar Gupta being awarded the Certificate of Merit (for the net worth Export Performance in field of Cotton yarn, DOC, Maize Product, Edible Oil & Wheat, Flour by Gujarat Chamber of Commerce & Industry)



Commencement of Maize Processing Unit at Uttarakhand with 300 TPD

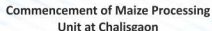
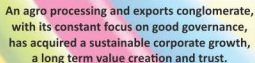
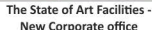
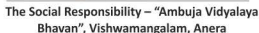
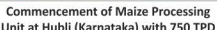
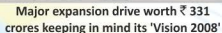
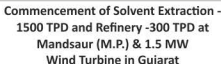
2004

2005

2007



Gujarat Ambuja Exports Limited



2008

2008-2009

2011-2018



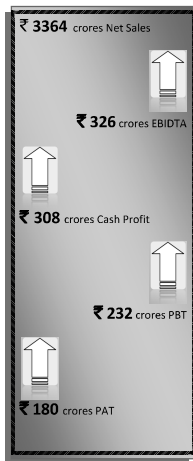
Gujarat Ambuja Exports Limited



27TH ANNUAL REPORT 2017-18



*"Committed to become
leading Company in Global
& Domestic Markets for
Quality Agro products
& Yarns"*



Contents

Corporate Information.....	01
Managing Directors' Speech.....	02
Notice.....	05
Directors' Report.....	20
Report on Corporate Governance.....	27
Management Discussion and Analysis Report	43
Independent Auditors' Report on Standalone Financial Statements.....	68
Standalone Financial Statements.....	73
Financial Highlights – Five Years.....	112
Segment Wise Financial Highlights – Five Years.....	113
Proxy Form & Attendance Slip	114
Route Map	115
Shareholders' Referencer	116

SCHEDULE OF ANNUAL GENERAL MEETING

Day : Saturday
Date : 28th July, 2018
Time : 3:00 p.m.
Venue : H. T. Parekh Hall,
1st Floor, Ahmedabad
Management
Association (AMA),
AMA Complex, Dr.
Vikram Sarabhai Marg,
Vastrapur,
Ahmedabad – 380 015

Support the Company's
"Green Initiative"

To view the online version of this
report or for other information log
on to
www.ambujagroup.com

*"Committed to growth
and to become largest
corn wet milling
Company in India
by 2019"*



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Vijaykumar Gupta*
Chairman & Managing Director

Shri Manish Gupta
Managing Director

Shri Mohit Gupta*
Joint Managing Director

Shri Sandeep Agrawal
Whole-Time Director

Smt. Sulochana Gupta
Non-Executive Director

Shri Rohit Patel
Shri Sudhin Choksey
Shri Rashmikant Joshi
Shri Vishwawir Saran Das
Shri Sandeep Singhi

AUDIT COMMITTEE

Shri Sudhin Choksey
Chairman
Shri Rohit Patel
Shri Rashmikant Joshi (upto 19th May, 2018)
Shri Sandeep Singhi (w.e.f. 20th May, 2018)

NOMINATION AND REMUNERATION COMMITTEE

Shri Rashmikant Joshi (upto 19th May, 2018)
Chairman
Shri Sandeep Singhi (w.e.f. 20th May, 2018)
Chairman
Shri Rohit Patel
Shri Vishwawir Saran Das

STAKEHOLDERS RELATIONSHIP COMMITTEE

Shri Rohit Patel
Chairman
Shri Vijaykumar Gupta (upto 23rd May, 2018)
Shri Manish Gupta (w.e.f. 24th May, 2018)
Smt. Sulochana Gupta

SHARE TRANSFER COMMITTEE

Shri Vijaykumar Gupta (upto 23rd May, 2018)
Chairman
Smt. Sulochana Gupta
Shri Manish Gupta (w.e.f. 24th May, 2018)
Chairman
Shri Rashmikant Joshi (upto 19th May, 2018)
Shri Vishwawir Saran Das (w.e.f. 20th May, 2018)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Vijaykumar Gupta (upto 23rd May, 2018)
Chairman
Shri Manish Gupta (w.e.f. 24th May, 2018)
Chairman
Smt. Sulochana Gupta (w.e.f. 24th May, 2018)
Shri Rohit Patel

RISK MANAGEMENT COMMITTEE

Shri Manish Gupta
Chairman
Shri Mohit Gupta (upto 31st May, 2017)
Shri Sandeep Agrawal
Chief Financial Officer
Company Secretary

INVESTMENT COMMITTEE

Shri Vijaykumar Gupta (upto 23rd May, 2018)
Chairman
Shri Manish Gupta (w.e.f. 24th May, 2018)
Chairman
Shri Sandeep Agrawal (w.e.f. 1st February, 2018)

INTERNAL COMMITTEE OF DIRECTORS

Shri Vijaykumar Gupta (upto 23rd May, 2018)
Chairman
Shri Manish Gupta (w.e.f. 24th May, 2018)
Chairman
Shri Sandeep Agrawal (w.e.f. 1st February, 2018)

CHIEF FINANCIAL OFFICER

Shri Dinesh Shah

COMPANY SECRETARY

Ms. Chetna Dharajiyi

AUDITORS

M/s. Arpit Patel & Associates
Chartered Accountants

REGISTERED OFFICE

"Ambuja Tower",
Opp. Sindhu Bhavan, Sindhu Bhavan Road,
Bodakdev, P.O. Thaltej,
Ahmedabad - 380 059
Phone: 079-61556677
Fax: 079-61556678

LISTED AT

BSE Limited
National Stock Exchange of India Limited

WEBSITE

www.ambujagroup.com

SHARE TRANSFER AGENT

Jupiter Corporate Services Limited
"Ambuja Tower", Opp. Sindhu Bhavan,
Sindhu Bhavan Road, Bodakdev, P.O. Thaltej,
Ahmedabad - 380 059
Phone: 079-61556677 | Fax: 079-61556678
Email Id: jayvijay@ambujagroup.com

INVESTOR SERVICES EMAIL ID

investor-icsl@ambujagroup.com

CORPORATE IDENTIFICATION NUMBER

L15140G1991PLC016151

BANKERS

Bank of India
State Bank of India
Union Bank of India
HDFC Bank Limited
Yes Bank Limited
ICICI Bank Limited

* Due to demise, ceased to be Chairman, Managing Director & Director of the Company w.e.f. 23rd May, 2018

* Ceased to be Joint Managing Director & Director w.e.f. the close of business hours of 31st May, 2017



STATEMENT FROM THE MANAGING DIRECTOR DESK

Dear Members,

Greetings from Ambuja!

"A Great Visionary, an Inspiring Leader, an Astute Industrialist and an Exceptional Human Being"

An organization's journey is often marked by certain momentous events that define or redefine the course of its trajectory. Leading industrialist, enthusiast and our Founder Promotor and Chairman & Managing Director, Shri Vijaykumar Gupta, left for heavenly abode on 23rd May, 2018. Amongst his many qualities was the ability to wear multiple hats and perform each role with equal vigour, unwavering enthusiasm and admirable perfection. With his visionary guidance, pioneered all such historic and strategic changes to enable the evolution of Ambuja into a reputed company in India. He was our guiding light and we pay our heartfelt tribute. We will always remember him as an inspiring genius with a strong ability to think ahead of time and further commit ourselves to his ideals in our journey ahead.

Looking back at Ambuja, the one characteristic that has defined the global economy over the last decade is "uncertainty" - uncertainty that has brought its share of challenges and opportunities. The financial year 2017-18 had its share of uncertainty which affected revenue growth of the Company. The globe witnessed regular jibe at each other from countries like US, North Korea, Russia, Syria, China etc. These had unpredictable volatile movement in global economy on both way upside as well as downside in short span. The year end was also an onset year of trade war between US-China, US-EU, which also gave negative sentiments in globe trade. The respective countries imposed anti dumping duty on many products, which has short term negative impact.

The new financial year began with reduced impact of demonetisation as people started to be in line with Government movement to switch over to digital payments and receipts. The first half had also impact on growth due to GST implementation. It was a transitory phase for economy trying to grapple with new equations after GST implementation resulting into rebound in off takes significantly from October 2017 onwards. It performed with positive outlook from second half. The INR also was the least volatile at around 2.21% in 2017-18 compared to large movements in previous 5 years. This also helped to perform Indian economy without a significant exchange loss. The INR although started depreciating from March 2018 largely due to higher outflow on increasing crude prices.

The Government also increased import duty on edible oil in a phased manner to balance the domestic oil seed price in India. The Government also did balancing act by increasing the MEIS benefit by 2% on exports of various products largely produced from inputs from agri segment. This has balanced the low agri inputs price which was below MSP in the beginning of the season to a comfortable level at or above MSP to ensure sufficient return to farming community.

Further rather than discussing our financial numbers and sharing my thoughts on our strategic growth plan and Company's performance in during financial year, I will take the opportunity to discuss some of our satisfying achievements which hold the promise of us being able to sustain profitable growth across the foreseeable future.

Changing landscapes:

Aiming for a new growth trajectory will require new capabilities. Chalisgaon Project in the State of Maharashtra is a step in that direction. It gives us immense pleasure to share with you that the Company has commenced the commercial operations at its 1000 MT per day green field Maize processing plant at Chalisgaon.

Commencement of commercial production at the unit is one more step in the direction of establishing PAN India presence of the Company in the promising maize processing sector through which the Company will achieve highest market share in the sector. This facility gives us scale, agility & flexibility to compete better in Global market and also help to fulfill the Vision i.e. *"to become largest corn wet milling Company in India by 2019"*.

I am glad to share with you that Soya Processing division of the Company is having 2nd highest crushing capacity in India. Moreover, Gujarat Ambuja's Tree Brand is a well-established brand based on international standard which is well known for its best quality yarn in International market.

True to the philosophy - *"Today, change is 'the new normal' and the pace of change in future will be even faster than it is today. Being ready for tomorrow means having vision and capabilities to compete in the world of tomorrow."*

Your Company has continually adapted itself and that is why it stands where it is today. To further ensure its sustainability, it seeks to redefine its business models fundamentally to become a globally effective & integrated organization.

Year at a glance - Company Performance:

Despite of various macro and micro uncertainties and challenging business environment including lingering effect of the uncertainty around GST saw a hurdle and disruptions in the initial period, the Company came back strongly and delivered volume growth as well as achieved robust profitable growth to finish the financial year on a high.

In F.Y. 2017-18, your Company posted strong performance, with Operational Revenue of ₹ 3376.63 crores, EBITDA ₹ 326.39 crores and Cash Profit after tax ₹ 256.17 crores. Your Company continues to be the most profitable Company in the Maize based manufacturing industry during its last ten year performance, with a net profit of ₹ 179.88 crores.

In keeping with our consistent track record and tradition of directing surplus cash and consistently rewarding the shareholders, the Board has recommended a final dividend @ 45% i.e. ₹ 0.90/- per equity shares of ₹ 2/- each, subject to the approval of Members at this Annual General Meeting.

Further, Company's continued focus on cost reduction and productivity enhancement initiatives supported by market buoyancy has resulted into considerable gains in profitability and also we have enhanced our product offerings and reached out to specific profitable segments successfully.

Giving back to the Society:

In these exciting yet demanding times, Company does not forget its commitment to live by one of its core values - *'Care for Society'*. With Concern for Society and Environment being a deep rooted core value of the Company; we are making concerted efforts for creating awareness in the fields of Community Healthcare, Sanitation & Hygiene and providing support for Education & Knowledge Enhancement.

Our Social Responsibility and Sustainability efforts continue to benefit a large base of stakeholders, because we undertake that with the same beliefs and conviction as we do our commercial activities. Our CSR initiatives are not an afterthought but an integral element of corporate strategy. Company has taken multiple initiatives in different States of India to have a positive impact on the everyday lives of its stakeholders.

Looking forward:

Overall, your Company remains confident and continues to see several opportunities in the agro based product and manufacturing activities and also expecting good monsoon during this current year. Thus your Company is confident of growth from each of its segments on the back of improving market conditions. Therefore the management has put in plans to enhance operating efficiencies, which will allow your Company to scale new heights in performance.