



**GUJARAT AMBUJA EXPORTS LIMITED**

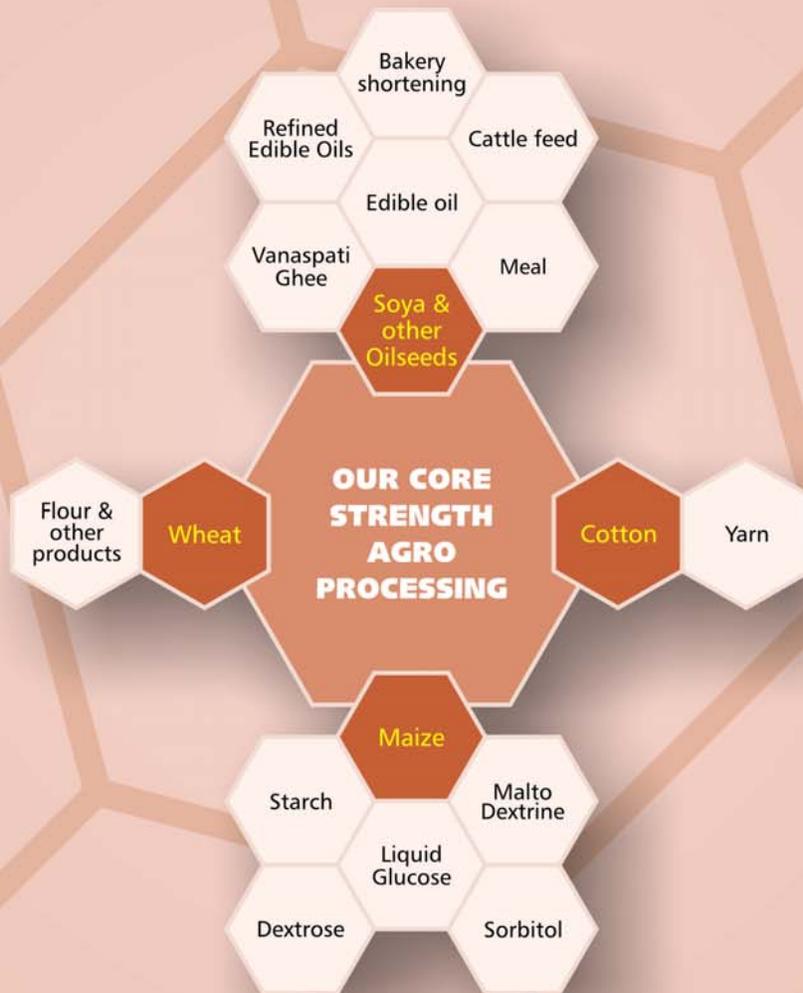
**AHMEDABAD, INDIA**

**18TH ANNUAL REPORT 2008-2009**

Committed to Growth



## Well diversified still focused on Agro Processing





# Gujarat Ambuja Exports Limited

## 18<sup>th</sup> ANNUAL REPORT 2008-2009

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

<b>BOARD OF DIRECTORS</b>	
Mr. Vijay Kumar Gupta, Chairman & Managing Director	
Mr. Manish V Gupta, Managing Director	
Mr. Parshottam G. Makhija, Executive Director (Resigned w.e.f. 31/05/2009)	
Mrs. Sulochana V Gupta	
Mr. Jagdish Sharan Varshneya	
Mr. Chaitan M Maniar	
Mr. Prakash G Ramrakhiani	
Mr. Ashok C Gandhi	
Mr. Sandeep N Agrawal	
Mr. Rohit J Patel	
Mr. Mohit V Gupta, Joint Managing Director	
<b>Vice President (Finance &amp; Accounts)</b>	
Mr. N Giridhar (w.e.f. 04/07/2008)	
<b>Company Secretary</b>	
Mr. Paras Mehta (w.e.f. 31/05/2009)	
<b>AUDITORS</b>	
M/s. Kantilal Patel & Co., Chartered Accountants, (A member firm of Polaris International, USA).	
<b>BANKERS</b>	
1. Bank of India	
2. Punjab National Bank	
3. Union Bank of India	
4. HDFC Bank Limited	
5. State Bank of Mysore	
<b>SHARE TRANSFER AGENT (PHYSICAL &amp; ELECTRONIC FORM)</b>	
Jupiter Corporate Services Limited "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad – 380 014.	
<b>SUBSIDIARY :</b>	
<b>Gujarat Ambuja International Pte. Ltd , Singapore</b>	

<b>CONTENTS</b>	<b>PAGE NO.</b>
Information to Members	1
Notice of Annual General Meeting	2-7
Directors' Report & Annexures	8-19
Auditors' Report	20-21
Balance Sheet	22
Profit & Loss Account	23
Cash Flow Statement	24
Schedules & Notes on Accounts	25-40
Annual Report of Gujarat Ambuja International Pte. Ltd., Singapore	41-45
Consolidated Financial Statements	45-56
Proxy & Attendance Slip	55
Note for Attention of Members	56

<b>PLANTS</b>	
<b>Sr</b>	<b>Name of Unit and Location</b>
1.	100% EOU 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(M.P)
8.	Solvent Extraction Unit- V N.H. No.6, Akola-Balapur Road, Village Kanheri, Gawali, Tal.Balapur, Dist Akola, Maharashtra.
9.	Wheat Processing Unit Kadi, Dist Mehsana, Gujarat
10.	Cattle Feed Unit Kadi, Dist Mehsana, Gujarat
11.	Wheat Processing Unit Pithampur, Dist Dhar (M.P)
12.	Maize Processing Unit Plot C-50, ELDECO, SIDCUL Industrial Park, Sitarganj, Dist. Udham Singh Nagar, Uttarakhand
13.	Wind Mills (Gujarat) <ul style="list-style-type: none"> <li>a. B-87, R S No. 471/P, Village Lamba, Taluka Kalyanpur, Dist Jamnagar.</li> <li>b. WTG No. 1, Machine No.1, Survey No. 400, Village Kuranga, Taluka Dwarka, Dist Jamnagar.</li> <li>c. WTG No. 2, Machine No.2 Survey No. 400, Village Kuranga, Taluka Dwarka, Dist Jamnagar.</li> <li>d. WTG No. 3, Machine No. 6 Survey No. 400, Village Kuranga, Taluka Dwarka, Dist Jamnagar.</li> <li>e. Survey No.213/2, Village: Satapar, Tal: Kalyanpur, Dist. Jamnagar</li> <li>f. WTG No.1, V-4, Survey No. 43/1/P Village: Moti Sindhodi, Tal: Abdasa, Dist. Kutch</li> <li>g. WTG No.2, V-7, Survey No. 36/2/P Village: Moti Sindhodi, Tal: Abdasa, Dist. Kutch</li> </ul>

### SCHEDULE OF ANNUAL GENERAL MEETING

**Day** : Thursday **Date** : 24<sup>th</sup> September, 2009 **Time** : 11.00 a.m.  
**Venue** : GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.



### Notice

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of Members of GUJARAT AMBUJA EXPORTS LIMITED will be held on Thursday, the 24<sup>th</sup> September 2009 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 31<sup>st</sup> March 2009, Profit & Loss Account for the year ended on that date, Directors' Report and Auditors' Report thereon.
2. To confirm the payment of interim dividend on Equity Shares for the year 2008-09 as final dividend for F.Y. 2008-09.
3. To appoint a Director in place of Mrs. Sulochana V Gupta, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. Sandeep Agrawal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Rohit J Patel, who retires by rotation and being eligible, offers himself for reappointment.
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 Mr. Vijay Kumar Gupta, Chairman and 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 in partial modification of earlier resolution passed by the members at the 16<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2007 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Mr. Vijay Kumar Gupta, Chairman and Managing Director of the Company (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) with the revised terms and conditions of remuneration as set out below with effect from 1<sup>st</sup> August, 2009 for the remaining tenure of his appointment i.e. up to 31<sup>st</sup> March, 2013 and also as set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Vijay Kumar Gupta, as submitted to this meeting and initiated by the Chairman of the meeting for the purpose of identification which supplemental agreement is approved with specific authority to Board of Directors of the Company to further alter, vary and/or amend the terms and conditions of appointment including the revised remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Mr. Vijay Kumar Gupta. :

##### 1. Remuneration

I **Salary** : Rs.4,00,000/- per month (Rupees Four lacs per month)

II **Perquisites and allowances** : In addition to the salary, Mr. Vijay Kumar Gupta shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave

encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 1,00,000 per month (Rupees One Lac Per month). The nature and break up of the perquisites and allowances will be determined in accordance with the rules of the Company or by the Board of Directors from time to time.

##### III Commission:

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956, shall also be payable.

##### 2. Overall Remuneration :

The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

##### 3. Minimum Remuneration :

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Clause A of Para 1 read with Para 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

##### 4. Other Terms and Conditions:

Other terms and conditions of appointment of Mr. Vijay Kumar Gupta as Managing Director as approved by the members at the 16<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2007 and as mentioned in the original agreement remains unchanged."

"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 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 Mr. Manish Gupta, 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 in partial modification of earlier resolution passed by the members at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Mr. Manish Gupta, Managing Director of the Company ( including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) with the revised terms and conditions of remuneration as set out below with effect from 1<sup>st</sup> August, 2009 for the remaining tenure of his appointment i.e. upto 27<sup>th</sup> December, 2013 and also as set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Manish Gupta, as submitted to this meeting and initiated by the Chairman of the meeting for the purpose of identification which supplemental agreement is approved with specific authority to Board of Directors of the Company to further alter, vary and/or amend the terms and conditions of appointment including the revised remuneration so as not to exceed the



limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Mr. Manish Gupta. :

**1. Remuneration**

**I Salary :** Rs.4,00,000/- per month (Rupees Four lacs per month)

**II Perquisites and allowances :** In addition to the salary, Mr. Manish Gupta shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 1,00,000 per month ( Rupees One Lac Per month). The nature and break up of the perquisites and allowances will be determined in accordance with the rules of the Company or by the Board of Directors from time to time.

**III Commission:**

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956, shall also be payable.

**2. Overall Remuneration :**

The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

**3. Minimum Remuneration :**

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Clause A of Para 1 read with Para 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

**4. Other Terms and Conditions:**

Other terms and conditions of appointment of Mr. Manish Gupta as Managing Director as approved by the members at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008 and as mentioned in the original agreement remains unchanged."

"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 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. Revision in Terms of Remuneration of Mr. Mohit V Gupta, Joint Managing Director of the Company**

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

"RESOLVED THAT in partial modification of earlier resolution passed by the members at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment

thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Mr. Mohit V Gupta, Joint Managing Director of the Company (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) with the revised terms and conditions of remuneration as set out below with effect from 1<sup>st</sup> August, 2009 for the remaining tenure of his appointment i.e. upto 31<sup>st</sup> July, 2013 and also as set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Mohit V Gupta, as submitted to this meeting and initialed by the Chairman of the meeting for the purpose of identification which supplemental agreement is approved with specific authority to Board of Directors of the Company to further alter, vary and/or amend the terms and conditions of appointment including the revised remuneration so as not to exceed the limit set out in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Mr. Mohit V Gupta. :

**1. Remuneration**

**I Salary :** Rs.1,50,000/- per month up to a maximum of Rs. 2,00,000/- per month with increments as may be decided by Board of Directors from time to time.

**II Perquisites and allowances :** In addition to the salary, Mr. Mohit V Gupta shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 50,000/- per month (Rupees Fifty Thousand Per month). The nature and break up of the perquisites and allowances will be determined in accordance with the rules of the Company or by the Board of Directors from time to time.

**III Commission:**

In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956, shall also be payable.

**2. Overall Remuneration :**

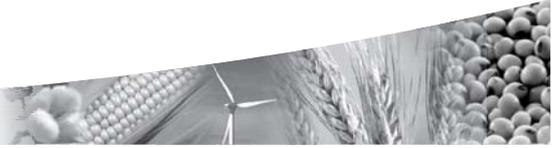
The aggregate of salary, perquisites, allowances and commission in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

**3. Minimum Remuneration :**

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Joint Managing Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Clause A of Para 1 read with Para 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

**4. Other Terms and Conditions:**

Other terms and conditions of appointment other than retirement by rotation of Mr. Mohit V Gupta as Joint Managing Director as approved by the members at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008 and as mentioned in the original agreement remains unchanged."



“RESOLVED FURTHER THAT the Joint 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 Mr. Mohit V Gupta, Joint Managing Director of the Company be and is hereby authorised, empowered and vested with the substantial powers of the Management of Pithampur Unit the Company for carrying out the affairs and activities of the said division 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.”

#### 10. Appointment of Mr. Sandeep Agrawal, as a Whole Time Director of the Company.

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

“RESOLVED THAT 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 (s) or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr. Sandeep Agrawal as a Whole Time Director of the Company from 1<sup>st</sup> August, 2009 to 31<sup>st</sup> July, 2014 (both the days inclusive) on the terms and conditions and remuneration (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) as set out herein below and also as set out in the draft agreement to be entered into between the Company and Mr. Sandeep Agrawal, a copy whereof initialed 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 further alter, amend, vary and modify the terms and conditions of the said appointment and remuneration payable from time to time as they deem fit in such manner within the limits prescribed under Schedule XIII to the said Act or any amendments thereto and as may be agreed to between the Board of Directors and Mr. Sandeep Agrawal.

##### 1. Remuneration

I **Salary** : Rs. 1,00,000/- per month up to a maximum of Rs. 2,00,000/- per month with increments as may be decided by Board of Directors from time to time.

II **Perquisites and allowances** : In addition to the salary, Mr. Sandeep Agrawal shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 50,000/- per month (Rupees Fifty Thousand Per month). The nature and break up of the perquisites and allowances will be determined in accordance with the rules of the Company or by the Board of Directors from time to time.

##### 2. Overall Remuneration :

The aggregate of salary, perquisites and allowances in any one financial year shall not exceed the limits

prescribed under Section 198, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.

##### 3. Minimum Remuneration :

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Whole Time Director, the payment of salary, allowances, perquisites and all other payments shall be governed by the limits prescribed under Clause A of Para 1 read with Para 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

##### 4. Other Terms and Conditions:

- As long as Mr. Sandeep Agrawal functions as Whole Time Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- The office of Mr. Sandeep Agrawal shall be liable to determination of retirement by rotation but the re-appointment by way of retirement by rotation shall not be construed as break in terms of his appointment.
- Mr. Sandeep Agrawal 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 is 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.

“RESOLVED FURTHER THAT Mr. Sandeep Agrawal, Whole Time Director of the Company be and is hereby authorised, empowered and vested with the powers of the management of the Akola Unit, Uttrakhand Unit, Mandasour Unit (Proposed) and/or more divisions of the Company, as may be decided by the Board from time to time, for carrying out the affairs and activities of the said divisions of the Company subject to the superintendence, control and direction of the Board of Directors of the Company and whose office shall be liable to retirement by rotation.”

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

#### 11. Appointment of Mr. Siddharth Agrawal as Vice President of the Company

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

“RESOLVED THAT pursuant to the provisions of section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Mr. Siddharth Agrawal, a relative of Mr. Sandeep Agrawal, Director of the Company, as (Vice President - Works) at a remuneration of Rs. 45,000/- per month with effect from 1<sup>st</sup> June, 2009.”

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

#### 12. Authority to borrow in excess of paid up share capital and free reserves 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 super session of resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 2<sup>nd</sup> June, 1998 and pursuant to provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company and/or such other officers/ committee to whom the Board of Directors may empower for borrowing from time to time any sum or sums of money which together with the money already borrowed by the Company ( apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, provided that the maximum amount of money borrowed shall not at any time exceed the limit of Rs. 1500 crores (Rupees one thousand five hundred crores) only.”

### 13. Authority to Mortgage Assets 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 super session of resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 2<sup>nd</sup> June, 1998 and pursuant to provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company to charge/ mortgage/ create security/ encumber in respect of the whole or substantially the whole of the undertaking/s of the Company including all or any of its moveable or immoveable property(ies), both present and future, for securing the loan(s)/ financial assistance obtained/ to be obtained from Banks, Public Financial Institutions, Body or Bodies Corporate or any other party together with interest, compound interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable to Banks, Financial Institutions, Body or Bodies Corporate or any other party in terms of their respective loan agreements, hypothecation agreements, letter of sanction, memorandum of terms and conditions from time to time on behalf of the Company to secure borrowings upto Rs. 2500 Crores.”

### 14. Alteration of Articles of Association of the Company :

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time), Article No. 165 (1) of the Articles of Association of the Company be and is hereby altered by substituting the following Clause as new Article No. 165 (1), in place of the existing Article No. 165 (1) of the Articles of Association of the Company:

#### ‘THE SEAL, ITS CUSTODY AND USE:

165 (1) The Directors shall provide a Common Seal for the purpose of the Company and shall have right to destroy the same and substitute a new Seal in lieu thereof from time to time and the Directors shall provide for the safe custody of the Seal and the Seal never be used except by the authority previously given by the Board or a committee of the Board authorised by the Board in that behalf in presence of (a) any two Directors of the Company or (b) one Director and the Company Secretary of the Company or (c) one Director and any other person as may be authorised by the Board for that purpose or (d) any

other person as may be authorised by the Board for that purpose, who shall sign every instrument to which the Seal is so affixed in his presence. Provided further that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and their statutory modification for the time being in force.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be required in this connection for giving effect of the aforesaid alteration in the Articles of Association of the Company.”

By order of the Board

Vijay Kumar Gupta

Chairman and Managing Director

Place : Ahmedabad

Date : JULY 23, 2009

### 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 14<sup>th</sup> September 2009 to 24<sup>th</sup> September 2009 (both days inclusive).
3. Unclaimed dividends upto 2000-2001 have been deposited with the central government and/or Investors Education and Protection Fund, as the case may be. Unclaimed dividend for the year 2001-2002 & 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 therefore requested to immediately forward the same, duly discharged to the Company's registrar and share transfer agent to facilitate payment of the dividend.

Financial Year	Date of AGM	Date of Dividend Warrant	Due Date of Unpaid Account	Due Date of Transfer to accepting claim by the Company	Due date for Transfer to Investors Education and Protection Fund
2001-02	25.02.2003	26.03.2003	02.04.2003	25.02.2010	02.04.2010
2002-03	30.09.2003	26.03.2003	13.04.2003	26.03.2010	13.04.2010
Interim: Note:1					
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
2006-07	25.09.2007	27.09.2007	31.10.2007	25.09.2014	31.10.2014
2007-08	29.09.2008	01.02.2008	27.02.2008	22.01.2015	27.02.2015
Interim: Note:2					
2007-08	29.09.2008	04.10.2008	05.11.2008	29.09.2015	05.11.2015
(Final)					
2008-09	29.04.2009	16.05.2009	04.06.2009	29.04.2016	04.06.2016
Interim: Note:3					

#### Note:

1. 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 12<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2003.
2. 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 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008.
3. 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 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. 2008-09 is sought for, at the ensuing Annual General Meeting.

4. 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 shareholding, if any.
5. 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.
6. 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.
7. Appointment/ Re-appointment of Directors (Pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Mrs. Sulochana V Gupta, Mr. Sandeep Agrawal and Mr. Rohit J Patel, 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) Smt. Sulochana V Gupta aged 55 years is industrialist and promoter of the Company and possesses rich experience of 31 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) Private Limited, Esveegee Shipyard (Gujarat) Private Limited, Esveegee Educom (Gujarat) Private Limited, Esveegee Solvent Extraction (Gujarat) Private Limited, Esveegee Starch and Chemicals Private Limited, Esveegee Hotels and Spa (Gujarat) Private Limited, Esveegee Pharma (Gujarat) Private Limited, Esveegee Agrofarming (Gujarat) Private Limited, Esveegee Oil and Gas Pipes (Gujarat) Private Limited, Esveegee Steel (Gujarat) Private Limited, Esveegee Financial Services (Gujarat) Private Limited, Esveegee Breweries Private Limited and Esveegee Wires and Metals Private Limited. She is also Chairman of Shareholders'/ Investors' Grievances Redressal Committee and Member of Remuneration Committee of the Company. She was holding 44,85,385 Equity Shares of Rs. 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2009.
- (b) Shri Sandeep N Agrawal, aged 37 years is an MBA and associated as Director with the Company since 1995. He has varied and rich experience of management, administration and marketing of more than 15 years. He was also member of Audit Committee, Remuneration Committee and Shareholders'/ Investors' Grievances Redressal Committee of the Company. He is not on the Board of any other Company. He was not holding any Equity Shares of Gujarat Ambuja Exports Limited as on 31.03.2009.
- (c) Shri Rohit J. Patel, aged 63 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 Vadilal Industries Limited. He is member of Education Committee of Ahmedabad Management Association. He was not holding any Equity Shares of Gujarat Ambuja Exports Limited as on 31.03.2009.

## ANNEXURE TO NOTICE

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

#### ITEM NOS. 7 to 9

Revision in terms of remuneration of Mr. Vijay Kumar Gupta, Chairman & Managing Director, Mr. Manish V Gupta, Managing Director and Mr. Mohit V Gupta, Joint Managing Director

Re-appointment of Mr. Vijay Kumar Gupta as Managing Director of the Company for the period from 18<sup>th</sup> April, 2008 to 31<sup>st</sup> March, 2013 was approved by the members of the Company at the 16<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2007 at salary of Rs.1,50,000/- p.m. and allowances, perquisites and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956.

Re-appointment of Mr. Manish V Gupta as Managing Director of the Company for the period from 28<sup>th</sup> December, 2008 to 27<sup>th</sup> December, 2013 was approved by the members of the Company at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008 at salary of Rs. 1,50,000/- p.m. and allowances, perquisites and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956.

Appointment of Mr. Mohit V Gupta as Joint Managing Director of the Company for the period from 1<sup>st</sup> August, 2008 to 31<sup>st</sup> July, 2013 was approved by the members of the Company at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2008 at salary of Rs.1,25,000/- p.m. and allowances, perquisites and commission as approved at the said meeting within an overall ceiling as per Section 198 and Schedule XIII of the Companies Act, 1956.

Considering the increase in activities, responsibilities and contribution of Mr. Vijay Kumar Gupta, Mr. Manish Gupta and Mr. Mohit V Gupta, Remuneration Committee and Board of Directors of the Company at their respective meetings held on 23<sup>rd</sup> July 2009 approved revision in terms of their remuneration w.e.f. 1<sup>st</sup> August, 2009 to remainder of their respective tenure subject to approval of members at the General Meeting, by altering the composition of the overall package of respective managerial personnel.

Details as required under Clause 49 of Listing agreement of Mr. Vijay Kumar Gupta, Mr. Manish V Gupta and Mr. Mohit V Gupta are as under:

Shri Vijay Kumar Gupta is aged 60 years with qualification of B.IS. and managerial experience of 37 years. He is an industrialist and Promoter Director and is main contributory to the growth and development of the Company and Gujarat Ambuja Exports group. He is also Director of other Companies namely Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited, Gujarat Ambuja International (Pte) Limited, Singapore, Jay Agriculture and Horticulture Products Private Limited, Jay Infrastructure and Properties Private Limited, Jay Ambe Infra Projects Pvt. Ltd., Esveegee Realty (Gujarat) Private Limited, Esveegee Shipyard (Gujarat) Private Limited, Esveegee Educom (Gujarat) Private Limited, Esveegee Solvent Extraction (Gujarat) Private Limited, Esveegee Starch and Chemicals Private Limited, Esveegee Hotels and SPA (Gujarat) Private Limited, Esveegee Pharma (Gujarat) Private Limited, Esveegee Agrofarming (Gujarat) Private Limited, Esveegee Oil and Gas Pipes (Gujarat) Private Limited, Esveegee Steel (Gujarat) Private Limited, Esveegee Financial Services (Gujarat) Private Limited, Esveegee Breweries Private Limited and Esveegee Wires and Metals Private Limited. He also holds Chairmanship of Share Transfer Committee and member of Shareholders'/ Investors' Grievances Redressal Committee of the Company. He was holding 3,90,23,083 Equity Shares of Rs. 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2009.

Mr. Manish V Gupta, aged 37 years, with graduation in commerce and managerial experience of 18 years, is young and dynamic entrepreneur. He is one of the Promoter and main contributory to the growth and development of the Company and Gujarat Ambuja Exports group. He also holds directorship in other Companies namely Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited, Royale Exports Limited, Sri Lanka, The Soyabean Processing Association of India, The Solvent Extractors' Association of India, Jay Agriculture and Horticulture Products Private Limited, Jay Infrastructure and Properties Private Limited, Jay Ambe Infra Projects Private Limited and Gujarat Ambuja International Pte. Ltd, incorporated at Singapore. He is also member of Share Transfer Committee of Gujarat Ambuja Exports Limited. He was holding 3,39,71,493 Equity shares of Rs. 2/- each of Gujarat Ambuja Exports Limited as on 31.03.2009.



Mr. Mohit V Gupta, aged 27 years, is young and dynamic entrepreneur with Diploma in International Business Management and Human Resource Management, Family Business Management from S.P. Jain Institute of Management and Research and Diploma Computer Information System from University of South Alabama, U.S.A.. He also holds directorship in other Companies namely Jay Agriculture and Horticulture Products Private Limited and Jay Infrastructure and Properties Private Limited. He was holding 90,17,095 Equity shares of Rs.2/- each of Gujarat Ambuja Exports Limited as on 31.03.2009.

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

Mr. Vijay Kumar Gupta, Mr. Manish V Gupta and Mr. Mohit V Gupta be considered to be concerned or interested in their respective resolutions. Mr. Manish V. Gupta, Mrs. Sulochana V Gupta and Mr. Mohit V Gupta being relatives of Mr. Vijay Kumar Gupta be considered concerned or interested for resolution set out at Item No. 7. Mr. Vijay Kumar Gupta, Mrs. Sulochana V Gupta and Mr. Mohit V Gupta being relatives of Mr. Manish V Gupta be considered concerned or interested for resolution set out at Item No. 8. Mr. Vijay Kumar Gupta, Mrs. Sulochana V Gupta and Mr. Manish V. Gupta being relatives of Mr. Mohit V Gupta be considered concerned or interested for resolution set out at Item No. 9. Save as aforesaid, none of the other Directors are concerned or interested in the said Resolution.

This explanatory statement together with the accompanying notice is to be regarded as an abstract of the terms of the agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Directors recommend the passing of the resolutions proposed at Item No. 7, 8 and 9 of the Notice.

#### ITEM NO. 10

##### Appointment of Mr. Sandeep Agrawal as a Whole Time Director of the Company

Mr Sandeep N Agrawal, aged 37 years is an MBA and is associated with the Company as Director since 1995. He has varied and rich experience of management, administration and marketing of more than 15 years. Considering his contribution as Director of the Company and to take benefit of his varied and rich experience in day today management of the Company, the Remuneration Committee and Board of Directors at their respective meetings held on 23<sup>rd</sup> July 2009, subject to approval of members at the General Meeting, approved his appointment as a Whole Time Director for the period of 5 years from 1<sup>st</sup> August, 2009. He is not on the Board of any other Company. He was not holding any Equity Shares of Gujarat Ambuja Exports Limited as on 31.03.2009.

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

Mr. Sandeep Agrawal be considered to be concerned or interested in the resolution set out at Item No. 10. Save as aforesaid, none of the other Directors are concerned or interested in the said Resolution.

The Directors recommend the passing of the resolution proposed at Item No. 10 of the Notice.

#### ITEM NO. 11

##### Appointment of Mr. Siddharth Agrawal as Vice President (Works)

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> May, 2009 subject to approval of the members in a general meeting by way of Special resolution, has appointed Mr. Siddharth Agrawal, brother of Shri Sandeep Agrawal, a Director of the Company as Vice President (Works) of the Company at a monthly remuneration of Rs. 45,000/- . Mr. Siddharth Agrawal, aged 31 is commerce graduate having more than 5 years experience of management, marketing, and administration.

Pursuant to provisions of Section 314 (1) of the Companies Act, 1956, any relative of a director of a Company can not be appointed at a remuneration of Rs. 10,000/- per month or above without consent of the Company accorded by a special resolution at a General Meeting.

Mr. Sandeep Agrawal being relative as brother of Mr. Siddharth Agrawal be considered as concerned or interested in the resolution set out at item No. 11. Save as aforesaid, none of the other Directors are concerned or interested in the said Resolution.

The Directors recommend the passing of the resolution proposed at Item No. 11 of the accompanying Notice.

#### ITEM NO. 12

##### Authority to borrow in excess of paid up share capital and free reserves of the Company

As per requirement of Section 293 (1) (d) of the Companies Act, 1956, borrowing in excess of paid up share capital and free reserves of the Company requires approval of members at the General Meeting.

The members of the Company at the Extra Ordinary General Meeting held on 2<sup>nd</sup> June, 1998 approved the borrowing (except the monies borrowed by the Company from its bankers in ordinary course of business) upto Rs. 400 Crores. Considering the growth of the Company in last decade and future requirements for long term funds, it is proposed to increase said limit to Rs. 1500 Crores.

None of the Directors of the Company are concerned or interested in the resolution set out at Item No.12 of the Notice.

The Directors recommend the passing of the resolution proposed at Item No. 12 of the Notice.

#### ITEM NO. 13

##### Authority to Mortgage Assets of the Company

It is proposed to authorise Board of Directors of the Company to charge/ mortgage/ create security/ encumber in respect of the whole or substantially the whole of undertaking/s of the Company including all or any of its moveable or immoveable property(ies), both present and future, for securing the loan(s)/ financial assistance obtained/ to be obtained from Banks, Public Financial Institutions, Body or Bodies Corporate or any other party upto Rs. 2500 Crores. It may be noted that at the Extra Ordinary General Meeting held on 2<sup>nd</sup> June, 1998, the members of the Company had given approval to the Board of Directors, but considering proposed increase in borrowing limits, consequential resolution pursuant to requirement of Section 293 (1) (a) of the Companies Act, 1956 is recommended for approval.

None of the Directors of the Company are concerned or interested in the resolution set out at Item No.13 of the Notice.

The Directors recommend the passing of the resolution proposed at Item No. 13 of the Notice.

#### ITEM NO. 14

##### Alteration of Articles of Association of the Company

At present, pursuant to Article No. 165 (1) of the Articles of Association of the Company, the Common Seal of the Company shall be affixed on any instrument in presence of at least one Director of the Company and every such instrument is required to be countersigned by the Managing Director or such other Officer or person as the Directors may from time to time authorise.

The Company proposes to alter Article No. 165 (1) of the Articles of Association of the Company by substituting a new Clause as Article No. 165 (1) in place of the existing Article No. 165 (1) of the Articles of Association of the Company, authorising any other person as may be authorised by the Board, in addition to the Directors of the Company, to affix Common Seal of the Company on any instrument, so as to facilitate expeditious execution of documents.

Pursuant to the provisions of Section 31 of the Companies Act, 1956, the approval of Members of the Company by way of a Special Resolution is required to be obtained for the purpose of alteration in Articles of Association of the Company.

A copy of the Articles of Association of the Company together with the proposed alteration shall be available for inspection, at the Registered Office of the Company, by any Member during 11.00 a.m. to 1.00 p.m. on any working day of the Company, upto the date of the meeting.

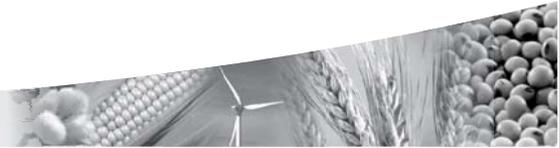
None of the Directors of the Company is, in any way, concerned or interested in the proposed resolution.

The Board proposes the resolution to the members for their approval.

By order of the Board

Place : Ahmedabad  
Date : JULY 23, 2009

Vijay Kumar Gupta  
Chairman and Managing Director



## Directors' Report

To,  
The Members,  
Gujarat Ambuja Exports Limited.

Your Directors have pleasure in presenting 18<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL HIGHLIGHTS

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

PARTICULARS	2008-09	2007-08
NET TURNOVER & OTHER INCOME (INCLUDING EXPORTS- FOB VALUE)	1605.89	1828.89
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES	92.05	156.19
LESS:		
INTEREST & FINANCE CHARGES	11.00	15.22
DEPRECIATION	36.36	31.46
PROVISION FOR TAXATION (INCL.DEFERED TAX)	21.22	38.26
ADD : PRIOR PERIOD ITEMS	0.10	0.00
NET PROFIT FOR THE YEAR	23.57	71.25
ADD: BALANCE OF PROFIT CARRIED FORWARD	175.39	124.77
TOTAL PROFIT AVAILABLE FOR APPROPRIATION	198.97	196.02
APPROPRIATED AS UNDER		
INTERIM DIVIDEND	5.53	5.53
DIVIDEND DISTRIBUTION TAX ON INTERIM DIVIDEND	0.94	0.94
FINAL DIVIDEND	0.00	5.53
PROVISION FOR DIVIDEND DISTRIBUTION TAX	0.00	0.94
TRANSFER TO CAPITAL REDEMPTION RESERVE	0.00	0.19
TRANSFER TO GENERAL RESERVE	1.80	7.50
TOTAL APPROPRIATION	8.27	20.63
BALANCE CARRIED TO BALANCE SHEET	190.70	175.39

### DIVIDEND

The Board of Directors had declared interim dividend of Rs. 0.40 per share (20% p.a.) for F.Y.2008-09 at its meeting held on 29<sup>th</sup> April, 2009 and the same had been paid to eligible members and/or beneficial owners.

The total cash outflow for interim dividend was Rs. 647.46 lacs (including dividend distribution tax of Rs. 94.05 lacs) as against cash outflow of Rs.1294.92 lacs (including Rs. 188.10 lacs of dividend distribution tax) paid last year towards both interim and final dividend.

The members are requested to approve the interim dividend for F. Y. 2008-09 as final dividend.

### TRANSFER TO RESERVES

The Company proposes to transfer Rs. 180.00 lacs to the General Reserve out of the total amount available for appropriations and an amount of Rs. 19069.58 lacs is proposed to be carried forward to Balance sheet.

### BUSINESS OPERATIONS

#### A. Operational Performance

The performance during the last financial year can be broadly divided into two parts. The first part being the period up to September, 2008 and second part being period from October, 2008 to March, 2009. In the first half, global slowdown and also other economic factor including huge volatility in foreign exchange rates had marginal impact on the performance of the Company. In fact, in the first quarter the Company maintained its operational and financial performance because it was able to reap the benefits of better realization of existing sale contracts and low cost inventory held at the end of previous financial year. Effect of global slowdown in Indian economy started having its impact in the second quarter of the F.Y. 2008-09 resulting into uncertainty, contraction of demand, squeeze in operating margin, lower utilization of capacity added to foreign exchange volatility. Situation became more adverse during third and fourth quarter of the F.Y. 2008-09, adversely affecting the operations and financial performance of the Company. The exchange rate became more volatile in the second half of the year and the dollar-rupee rate breached the historic high level of Rs.49.05 of September'01 and reached to Rs. 52.46 in March, 2009. The volatility in commodity market of oil and oil cakes were also at its peak during the second half of the year of the financial year. The margin of Cotton Yarn affected adversely due to effect of global slowdown in importing countries of EU and South East Asian Market, where the Company has more presence.

The price of raw cotton both in domestic and international market also remained firm due to support of respective governments to the farmers. During the F.Y. 2008-09, the maize processing and windmill segments were able to maintain its top and bottom line performance while major contributory i.e. Agro Processing and Cotton yarn segments were adversely affected due to above referred factors in comparison to F.Y. 2007-08.

During the year 2008-09, the Company was able to achieve the earning before interest depreciation and tax (EBIDTA) of Rs. 92.05 Crores as compared to Rs. 156.19 Crores during F.Y. 2007-08.

The top line of the Company was also adversely affected during F.Y. 2008-09 reflecting net turnover & other income of Rs. 1605.89 Crores as compared to Rs.1828.89 Crores. The export sales of the Company reduced from Rs. 892.19 Crores (FOB value) in F.Y. 2007-08 to Rs.618.60 Crores (FOB value).

The Cash profit, profit after tax and corresponding EPS remained Rs. 81.05 Crores, 23.57 Crores and Rs. 1.70 per share respectively.

Highlights of performance are discussed in detail in the Management Discussion and Analysis report attached to this report.

#### B. Capital Projects for the year 2008-09:

The Board of Directors is glad to inform that during the F.Y. 2008-09, the Company made further investment at different units 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 amounting to Rs. 18.72 Crores are bought.

### 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 and discussion and analysis with detailed highlights of performance of different divisions is given as **Annexure-B** to this report.

#### 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.

#### 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 last financial year the Company has not availed any fresh term loans. The Company has prepaid term loan of Rs.10 lacs availed for Uttarakhand plant. The Company is regular in repayment of other term loans availed from Bank of India & IREDA.

##### 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.

### DIRECTORS

The Company is well supported by the knowledge and experience of its Directors and Executives. Mr. P.G. Makhija, Executive Director resigned as Executive Director and Director of the Company due to personal



reasons and his resignation was accepted w.e.f. 31<sup>st</sup> May, 2009 by the Board of Directors at its meeting held on 29<sup>th</sup> May, 2009. The Board places on record its appreciation for services rendered by Mr. P.G. Makhija during his tenure as Director and Executive Director of the Company.

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mrs. Sulochana Gupta, Mr. Sandeep Agrawal and Mr. Rohit J Patel, 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 at their respective meetings have recommended and approved, subject to approval of the members at the General Meeting, revision in terms of remuneration of Mr. Vijaykumar Gupta, Chairman and Managing Director, Mr. Manish V Gupta, Managing Director and Mr. Mohit V Gupta, Joint Managing Director from 1<sup>st</sup> August 2009 to reminder of their respective tenure and appointment of Mr. Sandeep Agrawal as a Whole time Director from 1<sup>st</sup> August, 2009 to 31<sup>st</sup> July, 2014.

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 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009 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

The details of employees drawing remuneration 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 pursuant to requirement of 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 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.

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

##### Listing

At present, Equity Shares of the Company are listed at Ahmedabad Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid annual Listing fees due for the year 2009-2010 to respective Stock Exchanges.

##### Dematerialisation

The Equity Shares of the Company are under compulsory demat from 24<sup>th</sup> 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.

#### CORPORATE SOCIAL RESPONSIBILITY

The function of Corporate Social Responsibility has been actively pursued during the year. We have involved ourselves in various community welfare activities around our manufacturing locations. We intend taking a structured approach to further give thrust to this activity after ascertaining and assessing the needs in various localities.

#### ENHANCING SHAREHOLDER VALUE

The Company accords top priority for creating and enhancing shareholder value. All the Company's operations are guided and aligned towards maximizing shareholder's value. New project for capacity expansion and cost reduction are taken up to enhance the growth in sales and profitability.

#### APPRECIATION & ACKNOWLEDGEMENT

Your Directors are pleased to record their appreciation & 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.

**For and on behalf of the Board of Directors**

Place: Ahmedabad  
Date : July 23, 2009

**Vijay Kumar Gupta**  
Chairman & Managing Director

#### STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

Name of the subsidiary Company GUJARAT AMBUJA INTERNATIONAL PTE LTD.  
(Incorporated at Singapore)

1. Financial year of the subsidiary ended on : 31.03.2009  
(Period 01.04.2008 to 31.03.2009)
2. The Company's interest in the Subsidiaries as on 31st March 2009
  - a. Number of Equity Shares 854212
  - b. Face Value (Each of) Sing. Dollar 1
  - c. Extent of holding 100.00%
3. Net aggregate Profit/(Loss) of the Subsidiary company so far as it concerns the Members of the Company.
  - A) For the Financial Year ended on 31.03.2009
    - i) Not dealt within the books of Accounts of the Company Profit (US \$) 1,75,563
    - ii) Dealt within the books of Accounts of the Company Nil
  - B) For the Subsidiary Company's Previous Financial Years since it become a subsidiary
    - i) Not dealt within the books of Accounts of the Company Profit (US \$) 29,601
    - ii) Dealt within the books of Accounts of the Company Nil

PLACE : AHMEDABAD  
DATE : JULY 23, 2009

**For and on behalf of the Board**  
VJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)  
MANISH GUPTA  
(MANAGING DIRECTOR)  
N. GIRIDHAR  
(V. P. FINANCE & ACCOUNTS)  
PARAS MEHTA  
(COMPANY SECRETARY)



## 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 revised 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 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 11 (eleven) members. The Company had Executive Chairman and out of 11 (eleven) Directors on the Board, 7 (Seven) Directors (more than 50%) were Non-executive Directors and out of 7 (Seven) Non-Executive Directors 6 (six) Directors (more than 50% of total) were Independent Directors.

After the end of financial year, Mr. P G Makhija, Executive Director resigned w.e.f. 31<sup>st</sup> May, 2009 due to personal reasons, which was accepted at the meeting of Board of Directors held on 29<sup>th</sup> May, 2009. At the meeting of Board of Directors held on 23<sup>rd</sup> July, 2009, Mr. Sandeep Agrawal has been appointed as a Whole Time Director w.e.f. 1<sup>st</sup> August, 2009, subject to approval of members at the ensuing Annual General Meeting.

Even after the aforesaid changes in the composition of Board, out of total 10 (Ten) Directors, 4 (Four) are Executive Directors and out of remaining 6 (Six) Non-executive Directors, 5 (Five)

are Independent Directors.

Thus, composition of the Board is in conformity with the provisions of the 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, as also the number of Directorships in other Companies and Committee memberships/chairmanships held by them as on 31.03.2009 are given below

Name of Director	Category & Inter Personal relationship as on 31.03.2009	Attendance Particulars		No. of Directorships and Committee membership/ chairmanship (as on 31.03.09)		
		Board Meeting	Last AGM	Other Directorship	Committee Member-ships	Committee Chairmanships
Vijay Kumar Gupta	Executive Director & Promoter Husband of Mrs. Sulochana V. Gupta and father of Manish V Gupta and Mohit V. Gupta	5	Yes	21 (Incl: 19 Pvt. Ltd.)	1	Nil
Manish V Gupta	Executive Director & Promoter Son of Mr. Vijay Kumar Gupta & Mrs. Sulochana V. Gupta and brother of Mr. Mohit V. Gupta	5	Yes	9 (Incl: 4 Pvt. Ltd.)	Nil	Nil
Sulochana V Gupta	Non-Executive Director & Promoter Wife of Mr. Vijaykumar Gupta and mother of Mr. Manish V. Gupta and Mr. Mohit V. Gupta	5	No	17 (Incl: 15 Pvt. Ltd.)	Nil	1
Parshotam G Makhija	Executive Director & Non Independent Director Not related	5	Yes	1 Pvt.Ltd.	Nil	Nil
Sandeep N Agrawal	Non-Executive & Independent Director Not related	5	Yes	None	2	Nil
Jagdish Sharan Varshneya	Non-Executive & Independent Director Not related	4	Yes	10 (Incl: 4 Pvt. Ltd.)	Nil	3
Chaitan M Maniar	Non-Executive & Independent Director Not related	3	Yes	18 (incl: 4 Pvt. Ltd.)	8	1
Prakash G Ramrakhiani	Non-Executive & Independent Director Not related	5	Yes	1 Pvt. Ltd.	1	Nil
Ashok C Gandhi	Non-Executive & Independent Director Not related	5	Yes	7	8	Nil
Rohit J Patel	Non-Executive & Independent Director Not related	5	Yes	1	Nil	Nil
Mohit V Gupta	Executive and Non Independent Director Son of Mr. Vijay Kumar Gupta and Mrs. Sulochana V. Gupta and brother of Mr. Manish V. Gupta	5	No	2 Pvt. Ltd.	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.



**(B) Number of Meetings of the Board of Directors held and the Dates on which held**

During the financial year 2008-09, five (5) meetings of the Board of Directors were held on the following dates.

Sr.No	Date of Meeting	Sr.No.	Date of Meeting (contd.)
1	29.04.2008	4	25.10.2008
2	29.07.2008	5	30.01.2009
3	29.09.2008		

Intimation of the Board meetings and Committee meetings are given well in advance and communicated to the Directors. Normally, Board Meeting and Committee meetings are held at the Registered Office of the Company. The Agenda along with the explanatory notes are sent in advance to the all Directors. Additional meetings of the Board are held when deemed necessary by the Board.

**(C) Information placed before the Board of Directors**

All such matters as are statutorily required as per Annexure 1A to Clause 49 and also matters relating to Corporate Plans, Mobilisation of Funds, Investment/ Loans, Risk Management Policy, Capital Expenditure etc. are considered by the Board. Besides, the following information is also regularly placed before the Board for its consideration:

1. Annual Operating Plans and budgets and any updates
2. Capital budgets and any updates
3. Minutes of Meetings of committees of the Board
4. Quarterly results for the Company
5. Material Transactions, which are not in the ordinary course of business.
6. Compliance with all regulatory and statutory requirements
7. Fatal accidents, dangerous occurrences, material effluent pollution problems.
8. Recruitment and remuneration of senior officers just below the Board level.
9. Investment/disinvestments

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

During 2008-09, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors.

The Company has adopted the Code of Conduct and Business Ethics for Executive and Non-Executive Directors and Senior Management Personnel. The Company has received confirmations from all the Directors of the Company as well as Senior Management Personnel, one level below the Managing Directors, regarding compliance of the Code during the year under review. The Code of Conduct and Business Ethics adopted by the Company are posted on the website of the Company. The declaration by the Chairman and Managing Director confirming the same is annexed to this report.

As required under Clause 49 IV (G)(i), particulars of Directors retiring by rotations and seeking re-appointment are given in the Notes to the Notice of the Annual General Meeting to be held on 24<sup>th</sup> September, 2009 whereas for revision in terms of remuneration of Mr. Vijay Kumar Gupta, Chairman & Managing Director, Mr. Manish Gupta, Managing Director and Mr. Mohit V Gupta, Joint Managing Director and appointment of Mr. Sandeep Agrawal as a Whole time Director, same is given in the Explanatory Statement attached with the notice of Annual General Meeting.

**3. Audit Committee**

- (i) The Company has constituted an Audit Committee as per the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement on 31<sup>st</sup> January 2001 and constitution was changed from time to time as per necessity.
- (ii) The items of reference to the Committee are in accordance with paragraph C and D of Clause 49(II) of the Listing Agreement entered into with the Stock Exchanges and major terms of reference, inter alia, include the following:
  - Reviewing Company's Financial Reporting Process.

- Reviewing the Annual Financial Statements.
- Reviewing the Internal Audit Systems, the adequacy of Internal Control Systems, and
- Reviewing the Company's Financial and Risk Management Policies.

- (iii) The composition of the Audit Committee during F.Y. 2008-09 was in line with the provisions of Clause 49 of the Listing Agreement and details of members, their category and number of meetings attended by them during the F.Y. 2008-09 are given below:

Name of Members and Designation in the Committee	Category in the Board	No. of Meetings attended during F.Y. 2008-09
Mr. Jagdish Sharan Varshneya, Chairman	Independent, Non Executive Director	3
Mr. Sandeep N. Agrawal, Member	Independent, Non Executive Director	4
Mr. Ashok C Gandhi, Member	Independent, Non Executive Director	4

- (iv) During the F.Y. 2008-09, 4 (four) meetings of the Audit Committee were held on 29.04.2008, 29.07.2008, 25.10.2008 & 30.01.2009.

- (v) The previous Annual General Meeting of the Company was held on 29<sup>th</sup> September, 2008 and the same was attended by Mr. Jagdish Sharan Varshneya, Chairman of the Audit Committee.

- (vi) The Audit Committee Meetings are usually held at the Registered Office of the Company and are normally attended by the Managing Director, Vice President (Finance & Accounts), Representative of Statutory Auditor. The Company Secretary of the Company acts as the Secretary of the Audit Committee.

- (vii) The Audit Committee was reconstituted w.e.f. 7<sup>th</sup> July, 2009 i.e. after the end of financial year, by way of circular resolution approved by the requisite majority of Directors on 4<sup>th</sup> July, 2009 by inducting Mr. Rohit J Patel in place of Mr. Sandeep Agrawal. After reconstitution as referred above Audit Committee Comprises of the following members.

Name of Members and Designation in the Committee	Category in the Board
Mr. Jagdish Sharan Varshneya, Chairman	Independent, Non Executive Director
Mr. Rohit J Patel, Member	Independent, Non Executive Director
Mr. Ashok C Gandhi, Member	Independent, Non Executive Director

**4. Whistle Blower Policy**

The Company has adopted Whistle Blower Policy which was approved by the Audit Committee and Board of Directors of the Company at their respective meetings held on 22<sup>nd</sup> October, 2005. The said policy provides a formal mechanism for all employees of the Company to approach Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud and violation of the Company's Code of Conduct and Business Ethics. Under the Policy, each employee of the Company has an assured access to the Chairman of the Audit Committee.

**5. Remuneration Committee, Remuneration policy and payments**

- (i) The Remuneration Committee has been constituted to decide the Company's policy on specific remuneration packages for Executive Directors and Non-Executive Directors including pension rights and compensation payment. The Committee was constituted on 30<sup>th</sup> March, 2002 and was re-constituted from time to time. During the year under report, the constitution of Remuneration Committee was as under:

Name of Members and Designation in the Committee	Category in the Board
Mr. Ashok C Gandhi, Chairman	Independent, Non Executive Director
Mr. Sandeep N. Agrawal, Member	Independent, Non Executive Director
Mr. Rohit J Patel, Member (w.e.f. 21/07/2008)	Independent, Non Executive Director
Mrs. Sulochana V Gupta, Member	Independent, Non Executive Director

- (ii) During the F.Y. 2008-09, two (2) meetings of Remuneration Committee were held on 29.07.2008 and 25.10.2008. Both the meetings were attended by all the Committee members.



- (iii) The nomenclature, terms of reference and constitution of Remuneration Committee was changed w.e.f. 7<sup>th</sup> July, 2009 i.e. after the end of financial year, by way of circular resolution approved by the requisite majority of Directors on 4<sup>th</sup> July, 2009 as under.

Name of Members and Designation in the Committee	Category in the Board
Mr. Ashok C Gandhi, Chairman	Independent, Non Executive Director
Mr. Rohit J Patel, Member	Independent, Non Executive Director
Mr. P.G. Ramrakhiani, Member	Independent, Non Executive Director

The name of the Committee has been changed from "Remuneration Committee" to "Remuneration and Selection Committee" and terms of reference has been expanded to include to select and decide terms of appointment and remuneration of relative of any Director.

- (iv) The Chairman of the Remuneration Committee, Mr. Ashok C Gandhi, was present at the last Annual General Meeting of the Company held on 29<sup>th</sup> September, 2008.
- (v) The Company while deciding the remuneration package of the Managing Directors/ Executive Directors takes into consideration the following ;
- (a) Contribution of Managing Directors/ Executive Directors in the growth and progress of the Company.
- (b) Remuneration package of the Industry.
- (vi) The Non Executive Directors are paid remuneration by way of sitting fees for attending meeting of Board of Directors and Committees of the Board. At the Annual General Meeting held on 22<sup>nd</sup> September, 2005, shareholders approved payment of sitting fees upto Rs. 20,000/- or as may be amended by the Central Government to be paid to Non Executive Directors for attending each meeting of Board of Directors and Committees thereof. As decided by the Board of Directors, Non Executive Directors are paid Sitting Fees of Rs. 7500/- for attending each meeting of Board and Committees of the Board.
- (vii) There are no stock options issued by the Company.
- (viii) The details of remuneration (Including salary, allowances, commission and taxable value of perquisites) and sitting fees paid for attending meetings of Board of Directors and Committees thereof during the year 2008-09 to all the Directors are furnished hereunder:

Sr. No.	Name of Director	Salary & Allowances (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	Notice Period (In months) & Severance fees in (Rs.)
1	Mr. Vijay Kumar Gupta Chairman & Managing Director	1809360	553053	17650644	Nil	20013057	3 months Nil
2	Mr. Manish V. Gupta Managing Director	1809360	200340	21573010	Nil	23582710	3 months Nil
3	Mrs. Sulochana V Gupta	Nil	Nil	Nil	52500	52500	-----
4	Mr. Parshottam G Makhija Executive Director	1509400	Nil	Nil	Nil	1509400	3 months Nil
5	Mr. Sandeep N. Agrawal	Nil	Nil	Nil	82500	82500	-----
6	Mr. Jagdish Sharan Varshneya	Nil	Nil	Nil	52500	52500	-----
7	Mr. Chaitan M Maniar	Nil	Nil	Nil	22500	22500	-----
8	Mr. Prakash G Ramrakhiani	Nil	Nil	Nil	37500	37500	-----
9	Mr. Ashok C Gandhi	Nil	Nil	Nil	82500	82500	-----
10	Mr. Rohit J Patel	Nil	Nil	Nil	52500	52500	-----
11	Mr. Mohit V Gupta Joint Managing Director	1006240	Nil	Nil	15000	1021240	3 months Nil

#### 6. Board Sub-Committees for Shareholders:

##### (a) Shareholders'/ Investors' Grievances Redressal Committee & Redressal of Investors' Grievances :

The Company has constituted "Shareholders'/ Investors' Grievances Redressal Committee" on 30<sup>th</sup> March, 2002 to specifically look into the redressal of Investors' complaint like

transfer of shares, non- receipt of balance sheet and non- receipt of declared dividend etc.

To expedite the process and for effective resolution of grievances/ complaints, the Committee has delegated powers to the Share Transfer Agent/ Registrar and its officials to redress all complaints/ grievances / inquires of the shareholders'/ Investors' who redress the grievances/ complaints of shareholders'/ Investors' under the supervision of Company Secretary and Compliance Officer of the Company.

The Committee meets at regular intervals to review the status of redressal of Shareholders'/ Investors' Grievances.

During F.Y. 2008-09, the composition of the Shareholders'/ Investors' Grievances Redressal Committee and details of the meetings attended by the Committee members are as under:

Name of Members	Category	No. of Meetings attended during F.Y. 2008-09
Mrs. Sulochana V Gupta, Chairman	Promoter, Non-Independent, Non- Executive	30
Mr. Vijay Kumar Gupta, Member	Promoter, Non-Independent, Executive	30
Mr. Sandeep Agrawal, Member	Independent, Non Executive Director	30

The Shareholders'/ Investors' Grievances Redressal Committee was reconstituted w.e.f. 7<sup>th</sup> July, 2009 i.e. after the end of financial year, by way of circular resolution approved by the requisite majority of Directors on 4<sup>th</sup> July, 2009 by inducting Mr. Ashok C Gandhi in place of Mr. Sandeep Agrawal. After reconstitution as referred above, Shareholders'/ Investors' Grievances Redressal Committee comprises of the following members.

Name of Members and Designation in the Committee	Category in the Board
Mrs. Sulochana V Gupta, Chairman	Promoter, Non Independent, Non Executive Director
Mr. Vijay Kumar Gupta, Member	Promoter, Non Independent Executive Director
Mr. Ashok C Gandhi, Member	Independent, Non Executive Director

##### (b) Details of Complaints received and redressed during the year 2008-09:

Sr. No	Particulars	Opening Balance as on 1.4.2008	Received During the year	Redressed During the year	Pending as on 31.03.2009
1	Non-receipt of Dividend/ Interest, Revalidation, etc.	Nil	62	62	Nil
2	Non receipt of Share Certificate etc.	Nil	30	30	Nil
3	Non receipt of Annual Report, Interest on delayed refund, dividend, interest	Nil	12	12	Nil
4	Others	Nil	8	8	Nil
	<b>Total</b>	<b>Nil</b>	<b>112</b>	<b>112</b>	<b>Nil</b>

##### (c) Share Transfer Committee :

A Sub-Committee of the Board of Directors of the Company consisting of Chairman and Managing Director, Managing Director and Senior employees of the Company has been constituted with the scope and ambit to consider and approve the following actions related to the shareholders/members of the Company:

- |  |   |
|--|---|
| a) Transfer of Shares                    | g) Transposition of shares                                |
| b) Transmission of Shares                | h) Sub-division of shares                                 |
| c) Issue of Duplicate Share Certificates | i) Consolidation of Folios                                |
| d) Change of Status                      | j) Shareholders requests for Dematerialisation of Shares  |
| e) Change of Marital Status              | k) Shareholders requests for Re-materialisation of Shares |
| f) Change of Name                        |   |

##### (d) Appointment of Compliance Officer:

Mr. Sanjay S. Maniar, Company Secretary acted as Compliance officer of the Company till date of his resignation upto 31<sup>st</sup> May, 2009. From 31<sup>st</sup> May, 2009 Mr. Paras Mehta, Company



Secretary acted as compliance officer as per Clause 45(a) of the Listing Agreement entered into with Ahmedabad Stock Exchange.

**(e) Share Transfer Details:**

The number of shares transferred / transmitted, split request entertained, duplicate shares issued, folio consolidation, demat and remat request approved during the last financial year 2008-09 are as under.

Sr. No.	Particulars	No. of cases	No. of Shares involved (Rs. 2/- each)
1	Transfer	404	231645
2	Transmission	49	33050
3	Split	58	60200
4	Duplicate	3	2415
5	Demat request approved-NSDL	728	516720
6	Demat request approved-CDSL	365	266790
7	Remat request approved-NSDL	1	100
8	Remat request approved- CDSL	Nil	Nil

As on 31<sup>st</sup> March, 2009, out of the total 13,83,51,875 Issued, Subscribed and Paid up Equity shares of Rs. 2/- each of the Company, 40.16% have been demated (net of remat) through NSDL and CDSL.

With a view to expedite the process of transfer, the committee normally meets twice a month to approve transfer, transmission, split, duplicate etc. There was no instrument pending for transfer as on 31.03.2009.

**7. General Body Meetings**

**a) Details of location, time and date of last three Annual General Meetings are given below:**

Year	Date	Time	Venue
2005-06	09.09.2006	11.00 a.m.	GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.
2006-07	25.09.2007	11.00 a.m.	
2007-08	29.09.2008	10.00 a.m.	

**b) Extra Ordinary General Meeting**

There was no Extra Ordinary General Meeting held during the F.Y. 2008-09.

**c) Special Businesses transacted during the last three years at the General Meetings.**

Special Business	Type of Resolution passed	Date of Meeting
Re-appointment of Chairman Mr. Vijay Kumar Gupta as Managing Director of the Company	Ordinary Resolution	25.09.2007
Revision in Terms of remuneration of Mr. P G Makhija, Executive Director	Ordinary Resolution	25.09.2007
Re-appointment of Mr. P G Makhija as an Executive Director	Ordinary Resolution	25.09.2007
Re-appointment of Mr. Manish V Gupta as Managing Director of the Company	Ordinary Resolution	29.09.2008
Appointment of Mr. Mohit V Gupta as Joint Managing Director of the Company	Ordinary Resolution	29.09.2008

**d) Postal Ballot:**

During the year under review, there was no special resolution proposed and/or transacted through Postal Ballot. No special Resolution requiring postal ballot is being proposed for the ensuing Annual General Meeting.

**8. a. Disclosures**

- i. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. Related Party transactions have been included in the Notes to the Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2009.
- ii. The Company has complied with the requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets during the last three

years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

- iii. The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 7 of Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No personnel have been denied access to the Chairman of the Audit Committee.

- iv. The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges ;

(a) The Company has set up a remuneration Committee. Please see Para 5 for details.

(b) The Company has adopted Whistle Blower Policy.

**b. Secretarial Audit**

A qualified practicing Chartered Accountant carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary- in- Practice for due compliance of share transfer formalities by the Company.

**9. Means of Communication :**

**Results**

The quarterly and annual results alongwith the Segmental Report are generally published in Indian Express and Financial Express and also displayed on the website of the Company [www.ambujagroup.com](http://www.ambujagroup.com) shortly after its submission to the Stock Exchanges.

**Presentation to Institutional Investors or to analysts**

Official news releases and presentations, if any, made to institutional Investors and analysts are posted on the Company's website.

**Management Discussion & Analysis Report**

The MD & A Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns internal control and systems, etc. are discussed in the said report.

**Company's Corporate Website**

The Company's website [www.ambujagroup.com](http://www.ambujagroup.com) is a comprehensive reference on Gujarat Ambuja Exports Limited's vision, mission, segments, products, investor relations, Human Resource, feedback, news & media and contact details. The section on 'Investor Relations' seeks to inform the shareholders complete financial details, Quarterly Results and Annual Report, corporate benefits, information relating to stock exchanges where shares are listed, and details of Registrars and share transfer agent. Investors can also submit their queries and get feedback through online interactive forms.

**10. Shareholders' Information**

- i. **Annual General Meeting**  
Day, Date & Time : Thursday, the 24<sup>th</sup> September, 2009 at 11.00 A.M.  
Venue : GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad : 380006
- ii. **Financial Calendar** : (2009-2010) ( Tentative)  
Financial year : April-March  
Annual General Meeting : September, 2010  
Results for Quarter Ending on  
30th June, 2009 : 23rd July, 2009  
30th September, 2009 : End of October, 2009  
31st December, 2009 : End of January, 2010  
31st March, 2010 : End of April, 2010
- iii. **Book Closure Dates**  
Closure of Register of Members : 14th September, 2009 to  
And Share Transfer Books : 24th September, 2009



#### iv. Dividend Payment Date

The Board of Directors declared interim dividend of Rs. 0.40 per share (20% p.a.) for F.Y. 2008-09 at its meeting held on 29<sup>th</sup> April, 2009 and the same has been paid to members/ beneficial owners appearing on the record as on record date of 15<sup>th</sup> May, 2009. The said interim dividend payment is proposed to be considered as final dividend for the F.Y. 2008-09.

#### v. Listing of Securities on the Stock Exchanges

The Equity Shares of the Company are listed on Ahmedabad, Bombay and National Stock Exchange and listing fees for the financial year 2009-10 had been paid to all the above stock exchanges. Addresses of the Stock Exchanges where security of the Company is presently listed are given below:

##### Ahmedabad Stock Exchange Limited

Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad-380015

##### Bombay Stock Exchange Limited

Floor 25, P.J. Towers, Dalal Street, Mumbai-400 001

##### National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

#### vi. Stock Code

Name of the Exchange	Code
Ahmedabad Stock Exchange Limited	20230 -"GUJAMBEX"
Bombay Stock Exchange Limited	24226- Normal 524226-Rolling Segment
National Stock Exchange of India Limited	Symbol: " GAEL" Series EQ

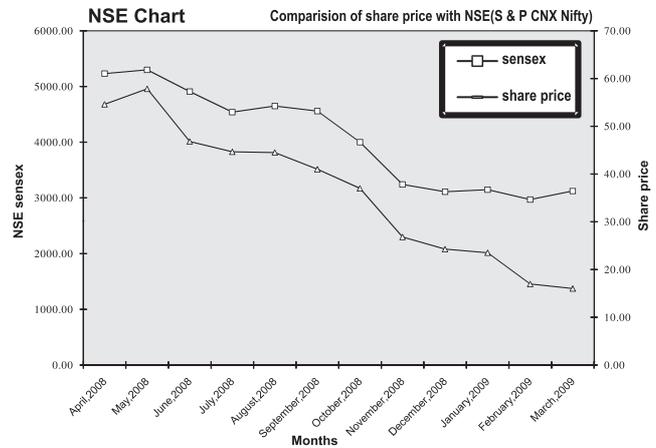
#### vii. Stock Market Price Data and comparison to broad-based indices

##### (a) Monthly Share price movement during F.Y. 2008-09 on BSE and NSE

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Highest	Lowest	Highest	Lowest
April, 2008	53.00	43.25	54.60	38.35
May, 2008	58.00	42.50	57.85	42.15
June, 2008	48.00	38.00	46.80	38.00
July, 2008	44.40	37.00	44.65	37.00
August, 2008	44.90	38.20	44.50	37.30
September, 2008	43.00	28.15	41.00	30.40
October, 2008	37.00	21.25	37.00	21.50
November, 2008	26.80	18.50	26.80	18.25
December, 2008	24.25	17.60	24.25	17.50
January, 2009	23.00	16.45	23.50	16.40
February, 2009	16.95	13.85	16.95	14.40
March, 2009	15.84	13.00	16.00	12.75

Note: Ahmedabad is Regional Stock Exchange. However, stock market data of the exchanges where volume was high has been considered.

##### (b) Comparison of share price with broad-based indices such as BSE and NSE (S & P CNX Nifty)



#### viii. Registrar and Transfer Agent

Since September, 2003 Jupiter Corporate Services Limited, Registrar and Share Transfer Agent of the Company acts as Physical & Electronic Registrar and Share Transfer Agent of the Company.

Jupiter Corporate Services Limited, which is acting as sole Registrar and Share Transfer Agent (Physical and Electronic) is situated at :

##### Share Transfer Agent (Physical & Electronic Form)

Jupiter Corporate Services Limited  
"Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, PO. Navjivan, Ahmedabad-380 014  
Email: [jayvijay@ambujagroup.com](mailto:jayvijay@ambujagroup.com)  
Phone: 079-26423316-20, Fax: 079-26423079

#### ix. Share Transfer System

There were 30 meetings of Share Transfer Committee of the Company during the last financial year 2008-09. Though the shares of the Company are under compulsory demat from 24.07.2000, shareholders holding less than 500 shares can still sell the shares in physical form. Trading of shares directly from seller to buyer not routed through Stock Exchanges is also permissible. The Share Transfer committee usually meets once in a fortnight. Shares in physical form are registered within an average period of 15 days.

##### x. (a) Distribution of Shareholding as on 31<sup>st</sup> March, 2009 (including demat)

No. of Equity Shares held	No. of Share holders	% of share holders	No. of Shares held	% of Share holding
1 to 2500	56453	99.44	30280743	21.89
2501 to 5000	195	0.34	1356525	0.98
5001 to 10000	60	0.11	855842	0.62
10001 to 15000	12	0.02	301679	0.21
15001 to 20000	9	0.02	326437	0.24
20001 to 25000	6	0.01	264636	0.19
25001 to 50000	18	0.03	1194381	0.86
50001 & above	18	0.03	103771632	75.01
Total	56771	100.00	138351875	100.00

##### (b) Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2009 (including Demat)

Category of Holders	No. Shares	% to total shares
Promoters/Directors & Relatives	88117956	63.70
Financial Insti./Mutual Fund/Banks	6492308	4.69
Non-Residents/FIIs/ OCBs	8874827	6.41
Other Corporate Bodies	2009404	1.45
Indian Public	32857380	23.75
Total	138351875	100.00



**(c) Shareholding of Non Executive Directors as on 31<sup>st</sup> March, 2009.**

Name of Non Executive Directors	No. Shares	% to total shares
Mrs. Sulochana V Gupta	4485385	3.24
Mr. Jagdish Sharan Varshneya	2000	0.01
Mr. Chaitan M. Maniar	11400	0.01
Mr. Prakash G Ramrakhiani	Nil	Nil
Mr. Ashok C Gandhi	2500	0.01
Mr. Sandeep N Agrawal	Nil	Nil
Mr. Rohit J Patel	Nil	Nil
<b>Total</b>	<b>4501285</b>	<b>3.27</b>

There were no convertible instruments pending conversion into Equity Shares as on 31.03.2009.

**xi. Dematerialisation of Shares and Liquidity**

On 31<sup>st</sup> March 2009 out of 13,83,51,875 Issued, Subscribed and Paid up Capital of Equity Shares of Rs.2/- each, 40.16% Equity Shares (net of remat) have been dematerialised. As per notification issued by SEBI with effect from 24/07/2000 the trading in the equity shares of the Company is permitted only in dematerialised form. The Company has entered into agreements, with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through JUPITER CORPORATE SERVICES LIMITED to facilitate the shareholders to demat their share with any of the depositories.

**xii. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity**

There is no Outstanding GDRs / ADRs / Warrants or any convertible instruments.

**xiii. CEO/CFO Certification**

The required certificate under Clause 49 (V) of the listing agreement signed by Managing Director and Vice President (Finance & Accounts) is attached with this report.

**xiv. Plant Locations**

Sr	Name of Unit and Location	Sr	Name of Unit and Location
1	100% EOU Cotton Spinning Division Vil.Dalpur, Dist. Sabarkantha, Gujarat	12	Maize Processing Unit Plot C-50, ELDECO, SIDCUL Industrial Park, Sitarganj, Dist. Udham Singh Nagar, Uttarakhand
2	Bio-Chemical Division (Maize Processing) Vil.Dalpur, Dist. Sabarkantha,Gujarat	13	Wind Mills (Gujarat)
3	Edible Oil Refineries & Vanaspathi 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,Vil. Kanheri, Gawali, Tal.Balapur, Dist Akola, Maharashtra.	f.	WTG No.1, V-4, Survey No. 431/P Village: Moti Sindhodi, Tal: Abdasa, Dist. Kutch
9	Wheat Processing Unit Kadi, Dist Mehsana, Gujarat	g.	WTG No.2, V-7, Survey No. 362/P Village: Moti Sindhodi, Tal: Abdasa, Dist. Kutch
10	Cattle Feed Unit Kadi, Dist Mehsana, Gujarat		
11	Wheat Processing Unit Pithampur, Dist Dhar (M.P)		

**xv. Investors' Correspondence**

All Communications may be sent to Mr. Paras Mehta, Company Secretary at the following address:

Gujarat Ambuja Exports Limited  
"Ambuja Tower", Opp. Memnagar Fire Station,  
PO. Navjivan, Navrangpura, Ahmedabad-380 014  
Phone: 079-26423316-20, 26405535-37 & 39  
Fax : 079-26423079  
E-mail: [jayvijay@ambujagroup.com](mailto:jayvijay@ambujagroup.com)

**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 in respect of the financial year ended March 31, 2009, the Company has 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, 2009.

Place: Ahmedabad  
Date : July 23, 2009

Vijay Kumar Gupta  
Chairman & Managing Director

Chief Executive Officer(CEO) and Vice President (Finance & Accounts) Certification We, Mr. Manish Gupta, Managing Director and Mr. N. Giridhar, Vice President (Finance & Accounts) to the best of our knowledge and belief, certify that:

- We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2009 and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
  - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, there were no transactions entered into by the Company during the year which were fraudulent, illegal or which violated the company's code of conduct.
- We are responsible for establishing and maintaining internal controls for financial reporting and we have
  - Evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting ;
  - Not found any deficiencies in the design or operation of internal controls .
- We have indicated to the company's auditors and the Audit Committee of the Board of Directors ;
  - Significant changes that have occurred in the internal control over financial reporting during the year;
  - There have been no significant changes in accounting policies during the year;
  - There have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the company's internal control system over financial reporting; and
  - There were no deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data nor there were any material weaknesses in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there were none.
- We declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year

Place: Ahmedabad Manish Gupta N. Giridhar  
Date : July 23, 2009 (Managing Director) Vice President (Finance & Accounts)

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Gujarat Ambuja Exports Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Ambuja Exports Limited, for the year ended on 31<sup>st</sup> March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: July 23, 2009  
Place: Ahmedabad

FOR KANTILAL PATEL & CO.,  
Chartered Accountants  
[Arpit K Patel ]  
Partner  
Membership No. 34032



## **ANNEXURE- B TO DIRECTORS' REPORT :** **MANAGEMENT DISCUSSION AND ANALYSIS** **CAUTIONARY STATEMENT**

Statements on 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.

### **GLOBAL BUSINESS ENVIRONMENT**

During the year 2008-09, sub-prime lending crisis which sparked off in the middle of 2007 in US and what had started as US housing problem became a major crisis that affected the entire global financial system spreading its wings to US, European and Asian countries. Several large international financial institutions were left to grapple with the consequences of large asset write-downs. Soon this led to an unprecedented contraction of credit in the system- especially in the last three and half months of 2008.

With the massive financial, monetary and fiscal interventions by the US as well as major European nations, the acute financial crisis passed by January, 2009. However, it scarred the real economy everywhere in the world. Starting with US in the third quarter of 2008, every major developed country went into a recession, which continues till today. Even at the time of writing this Management Discussion and Analysis, the global situation remains grim. F.Y. 2008-09 was the worst economic downturn that world has seen since the Great Depression of the 1930s.

Some of the highlights as mentioned below will give glance at global economic environment:

- Three consecutive quarters of negative GDP growth in the US with possibility of more to follow. The estimated GDP growth for 2009 in the US is expected to be (-) 2.9 for 2009. In April, 2009 unemployment was at 8.9% and rising, which is worst since the early 1980s.
- The European countries are also in a deep recession and they are structurally much worst off than the US. GDP growth for 2009 is estimated at (-) 3.7%.
- Japan is also heading for another period of long term de-growth with industrial output falling more than 30% every month compared to a year earlier. GDP growth for 2009 is estimated at (-) 6.4%.
- Expected fall of 11% to 12% in real value of world trade in 2009, China's growth is expected to reduce to single digit.

### **INDIAN ECONOMY & INDUSTRY**

Global turmoil also affected the Indian growth story. After growing by over 9% for three successive years- 2005-06, 2006-07 and 2007-08, India's growth for 2008-09 fell to 6.7% particularly because of poor performance in the second half of the fiscal year.

The growth rate during 2008-09 is lower than the nine percent in the preceding fiscal, but that is not as low as expected by certain analysts and quite in the range projected by the RBI: 6.5-7 percent.

However, manufacturing growth turned negative at 1.4 percent in the fourth quarter, pulling down Q4 GDP growth to 5.8 percent from 8.6 percent a year ago.

The downward revision in the GDP growth rate is mainly on account of lower performance in almost all the sectors excluding construction and community, social and personal services than anticipated.

Braving the global recessionary trends, India managed 6.7 percent economic growth thanked to Government consumption which grew 22 percent year-on-year basis and even after the manufacturing sector recording a dismal performance.

The result of professional forecasters' survey conducted by Reserve

Bank of India in March 2009 showed that the country's economy was expected to grow at 5.7 percent during 2009-10. This needs to be viewed against the projected GDP growth of 9 percent during the Eleventh Five Year Plan period.

The growth of agriculture and allied sectors contracted by 2.2% during the third quarter of 2008-09 mainly due to a sharp decline in the production of various crops during the Kharif season as per figures released by The Central Statistical Organisation (CSO). The fall in production of coarse cereals, pulses, oilseeds and cotton during the Kharif season of 2008-09 was due to a slump in farm sector performance. As per estimates of the CSO, the output of oilseeds declined by 21.2 % during the Kharif season of 2008-09, while that of cotton is estimated to fall by 14.4%.

As per estimates of the CSO agriculture, forestry and fishing sectors were likely to register a growth rate of 2.6% during 2008-09 compared with 4.9% in 2007-08.

However, compared to the previous fiscal, economic growth did exhibit a slowdown, triggered by sluggish manufacturing due to slackening demand. In fact, sharp decline in demand overseas has led to shrinking exports since October.

### **COMPANY'S PERFORMANCE**

The Company is engaged in the manufacturing and exports of various agro based commodities such as Edible Oil, De Oiled Cakes, Cotton Yarn, Maize Starch and its Derivatives, Cattle feed, wheat flour etc. The Company has also investment and contribution in environment friendly power generation i.e. windmills. The main sector in which the Company operates i.e. agro based commodities is peculiarly very low margin business with dependency on natural uncertainties such as climate change and monsoon apart from economic uncertainties affecting to all industrial sectors.

The downtrend in business revenues over the previous year was due to lower soya volumes, high raw cotton prices in domestic and international market, reduced demands in domestic as well as global market, lack of price parity in raw material and finished products, foreign exchange uncertainties and volatility, caution exercised in business deals on account of increased global business risk, increasing policy interventions and volatility in the commodity markets.

Due to adverse economic factors referred above, during F.Y. 2008-09, the Company could achieve net turnover & other income of Rs. 1605.89 Crores as compared to Rs. 1828.89 Crores of F.Y. 2007-08. EBIDTA margin reduced from 8.54% of F.Y. 2007-08 to 5.74% during F.Y. 2008-09. Despite all adversity, the Company was able to achieve decent Net Profit after Tax of Rs. 23.57 Crores during F.Y. 2008-09.

### **Segment wise Performance**

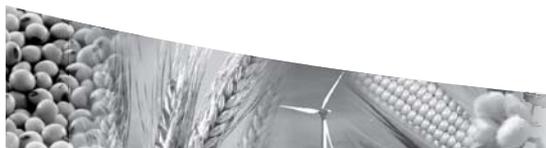
The Company's presence is in Agro Processing, Cotton Yarn, Maize processing & Windmills.

#### **Agro Processing Segment**

The agro processing division comprising of solvent extraction of edible oilseed, Edible Oil Refining, De Oiled Cakes, Wheat Processing and Cattle Feed manufacturing, performed satisfactory in the first half of financial year. It was largely unaffected of various economic factors in the first half. However, during second half of the financial year, Agro-processing Division was adversely hit by global market conditions resulting into lack of price parity between raw material and finished products prices, weaker demand resulting into lower production and sales during the F.Y. 2008-09 as compared to F.Y. 2007-08.

The low cost inventory position of F.Y. 2007-08 helped this segment to maintain its operational and financial performance in the first half of the F.Y. 2008-09. The performance of this segment suffered mainly due to continuous contraction of demand in domestic and international market, lack of price parity between raw material and finished products prices, volatility in commodity market in second half of financial year restraining the Company to hold the inventory at low level, foreign exchange fluctuations.

The adverse economic factors affected the performance of solvent extraction activities and the crushing was down from 514000 MT to



366000 MT. The volatile agro produce prices and lack of price parity resulted in down fall of 29% in crushing volume of this segment.

Due to downfall in the crushing volume of Solvent Extraction Division, the Company was compelled to increase trading activity to meet the export commitments, and accordingly trading activity has registered growth of 45% compared to previous financial year.

With the stabilized international price of edible oil, the refining activity has registered growth of 25% and the segment has processed crude oil of around 1,50,000 MT in the last financial year.

Thus agro processing has suffered mostly due to global slow down. The revenue declined by more than 21% and the operating profit declined by more than 46%. The unit's export sales also declined by around 37%. This segment being the main contributory to overall operational and financial performance of the Company, the adverse impact of this segment has resulted into lower top and bottom line performance of the Company. The total revenue came down by 20% resulting in decline of 57% in EBITDA.

Though the overall market conditions are still volatile, the general feeling of the industry is towards more stable market condition including demand, prices of commodities, foreign exchange and slow and gradual improvement in international market. In view of same, this segment of the Company is expected to make better top and bottom line performance during F.Y. 2009-10 as compared to F.Y. 2008-09.

#### **Cotton Yarn Segment**

In India, textile Industry is passing through tough time since couple of years and your Company is not exception to it. Trend of weaker downstream demand, soaring domestic as well as international cotton prices, unsustainable price realization continued during this year also threatening survival of mills. High cotton prices, high fuel prices, sluggish garment demand, exchange rate uncertainties with volatility and unattractive price realization in global market made adverse impact on textile industry during 2008-09 also.

Many textile industries have either closed down or have incurred huge losses. The global demand of various textile products were at its bottom and the price of various textile products were also remained under pressure through out the year. In respect to cotton textile, the price of raw cotton remained substantially high during the year. The international as well as domestic price of raw cotton remained substantially high during the year mainly because of the government policy to protect the farmers. In India also, the government continued to buy raw cotton at a very high MSP which held the price at higher level through out the year. The high manufacturing cost in textile industry was also one of the reason for poor performance of textile segment. The textile Industry in general and Cotton yarn Division of the Company is experiencing labour shortage due to plight of migrant workers into their respective states in view of pronouncement of policy of minimum work and grains at concessional rate by some State Governments and increasing opportunity in their respective State of domicile of migrant workers.

However, due to established market for the products, quality and productivity, the cotton yarn division of the Company was able to make marginal growth in top line from Rs.153.25 Crores of F.Y. 2007-08 to Rs.175.16 Crores during F.Y. 2008-09. The segment also managed the export sales at the level of Rs.126 Crores during the year. The division has produced 13616 MT cotton yarn in the F.Y. 2008-09 against the production of 15354 MT of cotton yarn in F.Y. 2007-08. The performance in quantitative terms is thus down by around 11%. However, due to adverse economic factors mentioned above and unfavourable foreign exchange hedge position, the segment made operating loss of Rs.22.93 crores.

The position of this segment is slightly revising due to reversal of negative impacts mentioned above and the unit has reached to break even after March'09. The proposed debonding of the Cotton Yarn unit will also help to improve financials further.

#### **Maize Processing Segment**

This segment has two plants one is located at Himatnagar in the

State of Gujarat and one is located at Uttarakhand. The Uttarakhand plant is serving the central and northern India market. The plant is located in close proximity to large institutional buyers for the product of this segment. The Himatnagar plant being very close to major Ports in Gujarat is now focusing on international market over and above catering to south and west market of India.

Increase in capacity due to commencement of Uttarakhand plant during last quarter of previous financial year, increased productivity, better price realization and increase in demand of value added products of the Company made the maize processing segment to achieve better top line and bottom line performance during F.Y. 2008-09 as compared to F.Y. 2007-08.

Both the plants of Maize processing segments performed well during F.Y. 2008-09. The revenue of maize processing segment at Himatnagar have registered growth of 10% with an increase of 80% in export sales. This has been due to more focus on export market from Himatnagar plant and Uttarakhand plant taking care of domestic market of central & north India.

The Uttarakhand plant of this segment registered sales of Rs. 68 Crores in the first year of operations itself. This unit has also contributed operating profit of Rs.3.50 Crores during F.Y. 2008-09.

This segment has contributed Rs.15.85 Crores to the Company, thereby registering a growth of around 33% compared to previous year.

The contribution from export of this segment has also grown up sizeably in last 2-3 years. The demand of Indian corn products is increasing in international market due to its competitive advantage over other corn product supplier countries like US & China on account of lower cost of production. The Indian corn products manufacturers have also been able to expand their international market base over a period of time.

The performance of this segment in current financial year 2009-10 is expected to be consistent. As the Company is able to cater demands for value added maize derivatives such as Dextrose Monohydrate, Malto Dextrin, Liquid Glucose and Sorbitol and increasing presence in international market for this segment, the performance in F.Y. 2009-10 will be improved as compared to F.Y. 2008-09. The segment has achieved export turnover of around Rs. 7.50 crores in the first quarter of current financial year and is expected to maintain its compounded growth of last few years.

The Company is investing around Rs.11 crores in enhancing/modernization of existing manufacturing facilities of this division by setting up new plant for dextrose and hydrates and establishing state of art waste to energy ETP with further conversion of energy to power at Himatnagar unit.

#### **Wind mills division and contribution to environment friendly atmosphere**

To contribute to green environment, the Company had made investment in 7 wind turbines with total capacity of 6.95 MW. After the year end, wind turbines at Vanku had undergone blade replacement activities for improvement in performance. Over all performance of all wind turbines during the F.Y. 2008-09 was satisfactory and contributed to reduction in power cost for both agro processing and maize processing.

The carbon credit is vital part of the project and the Company hopes to get recognition for the carbon credits at the earliest.

The Company has also decided to install one more wind turbine in the State of Gujarat with capacity of 1.5 MW and the same is expected to be operational by September, 2009. Further to the Company's objective to contribute to green environment, projects are undertaken at plant level also to generate power through renewable resources. This will be an on going effort in future across all units.

#### **Over all Analysis**

The performance during the last financial year as a whole is satisfactory considering the various adverse economic factors. Your Company has been able to maintain the EBITDA margin of around 6% well above the overall average level for the industrial



segments in which the Company is operating. Moreover, the financial year 2007-08, was an exceptional bullish year and therefore, the comparison of last financial year's performance with the same of 2007-08 will not give the realistic picture. The performance of last financial year has to be compared with the performance of other normal years and your Company has performed at par with all such normal years.

The products of various segments of the Company are eligible for various export incentives. All the export incentives are continued and the Company is hopeful that the government would expand the list of high value incentive schemes by adding new products and market under the existing schemes.

#### **OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

##### **Opportunities**

Notwithstanding the above, the business opportunity in the various segments in which the Company is operating are reviving. The focus of Government of India for the various industrial segments like Agro Processing, Food Processing and Textiles is encouraging enough for industrial units to perform better. The government is taking due care of the farmers who are the main source for performing better in this industrial segment. At the same time, the government is also encouraging the industries in this segment by announcing various benefits from time to time.

The major opportunities for the Company in the market are following;

1. The ability of the Company to develop more value added products with enhanced productivity at the best cost effectiveness price.
2. The Company's financial strength accumulated over a period of last 10 years. The policy of having low term debt profile is also added advantage for the Company to expand its base in the various manufacturing activities.
3. The ability to adjust with the bullish and bearish market conditions.

##### **Risks & Threats**

The risks are inherent with any type of business. The quantum and nature of risk varies from industry to industry and other factors. The Company is facing the following type of risks;

1. The global economic uncertainties
2. The risk attached with commodity and currency
3. The inherent risk of doing international trade
4. The change in Government policy of sourcing and importing countries.

At GAEL, we have well defined risk management policy in place and the same is reviewed from time to time. The risk management policy is also monitored by executive management of the Company and the policy is modified or amended from time to time as per requirement.

##### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate and effective internal control system. The effective and adequate internal control systems helps to achieve resource utilization at the optimum level, safeguarding of assets and interest, proper authorization, recording and reporting of transactions, protection against unauthorized use and disposition of assets. With the help of internal control systems, among other things, there is a reasonable assurance to the fact that the transactions are executed with management authorization and they are recorded in all material respect to permit preparation of financial statements in conformity with established accounting practices. At GAEL, an effective internal audit function, independent of the external auditors, to review the effectiveness of risk management system is also in place. The internal control systems are supplemented by an extensive programme of internal audits and review by the management. The top management, Audit Committee and statutory auditors of the Company are periodically apprised of the activities and internal audit findings and action taken reports. The Company also has budgetary control system and the management periodically reviews actual performance. The

Company has also in place established SAP system for its accounting operations and all units, branches, depots are linked and integrated.

##### **OUTLOOK FOR THE YEAR 2009-10**

In the financial year 2009-10, the position of various segments of the Company has started positively. There has been stability in the foreign exchange market and the Company is having favourable hedge position compared to current exchange rate. Though the overall market conditions are still volatile, the general feeling of the industry is towards more stable market condition. The first quarter of current financial year, the prices of various inputs which Company procure are more or less stable and the same are also expected to be stable in the remaining period of current financial year.

The Company is also setting up new state of art 1000 MT solvent extraction plant with a capacity of 200 TPD refining at Mandsour in Madhya Pradesh. The total capital outlay for this project is estimated at around Rs. 30 crores. The commercial production of solvent extraction plant is expected to start by December'2009 and refinery is expected to commence by February'2010. This new project will help the division to enhance the competitiveness of the Company in the market due to various incentives available to the unit.

The cotton yarn division which was badly affected during the last financial year is also now on a course of stabilizing with a stable raw cotton price, reduced power & fuel cost due to holding of furnace oil inventory procured at a lower price during reduction in international oil prices. The Company is also planning to debond the cotton yarn unit to be more competitive in domestic as well as export markets. At present due to EOU status, the Company is subject to excise duty on domestic sales of cotton yarn against nil rates for DTA units. The unit is also not able to take benefit of DEPB on export of cotton yarn due to EOU status. After debonding of cotton yarn unit, the unit is expected to be more competitive in domestic and export market.

The other operating segments of the Company are also performing stable as compared to last quarter of F.Y. 2008-09. As per Met. department, the monsoon is likely to be around normal and the production of various agro based inputs are likely to be higher than that of last financial year. Moreover, due to good returns to the farmers on the major Oil seeds, Maize & Cotton during the last financial year, the total cultivation area of these items is estimated to increase by around 15% to 20% in the current financial year.

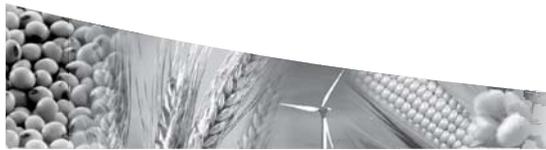
##### **ANNEXURE 'C' TO THE DIRECTORS' REPORT**

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Board of Directors Report) Rules, 1988 and forming part of the Directors' Report for the Financial Year Ended 31<sup>st</sup> March, 2009.

##### **CONSERVATION OF ENERGY**

###### **(1) Energy Conservation measures taken :-**

- a. The different units of the Company has strong technical department headed by a senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technological up gradation of plant & machinery, in various units. The Company has installed energy efficient devices in the new projects also.
- b. In a major initiative to conserve energy, the Company has made investment in wind energy sector by installation of seven windmills with total installed capacity of 6.95 MW. This initiative has helped to generate energy through environmental friendly measures and also reduce carbon emission in the atmosphere. Further to these efforts, the Company has also taken up projects and also finding avenues to generate power through renewable resources. The Company has also taken up capital incentive projects to switch to modern environment friendly ways of running processes at all the units. Thus there will be on going efforts in future across all units.



**(2) Total energy consumption and energy consumption per unit of production :**

**FORM B**

FORM - "A"		2008-2009	2007-2008
Sr.	PARTICULARS		
A)	<b>POWER AND FUEL CONSUMPTION :</b>		
1)	Electricity		
a)	Purchased :		
	Units(Includes units wheeled from windmills & cost at the Gross Bill Value)	35430113	27228289
	Total Amount (Rs.)	177031112	141659092
	Rate / Unit (Rs.)	5.00	5.20
b)	Own Generation		
i)	Through Diesel Generator		
	Units	143178	292946
	Unit per Ltr of Diesel Oil	2.60	3.25
	Cost/Unit (Rs.)	13.93	8.50
ii)	Through Steam Turbine / generator		
	Units	11411225	11306733
	Unit per Kg. of Coal	0.32	0.31
	Cost/Unit (Rs.)	9.34	7.86
iii)	Through Furnace Oil Generator		
	Units	56685364	62287459
	Unit per Kg. of Furnace oil	4.39	4.35
	Cost/Unit (Rs.)	5.33	4.76
iv)	Through Windmills		
	Units	11235311	10921438
	Total Amount (Rs.)	23560442	21051967
	Cost/Unit (Rs.)	2.10	1.93
2)	Coal (Used for Steam Generation)		
	Quantity (MT)	85432.231	80197.000
	Total Cost (Rs.)	249849486	187293182
	Average rate	2924.53	2335.43
3)	Furnace Oil		
	Quantity (Kg)	N.A.	N.A.
	Total Cost (Rs.)	N.A.	N.A.
	Average rate	N.A.	N.A.
4)	Diesel Oil		
	Quantity (Ltr)	N.A.	N.A.
	Total Cost (Rs.)	N.A.	N.A.
	Average rate	N.A.	N.A.
5)	Others/Internal generation		
	Quantity	N.A.	N.A.
	Total Cost (Rs.)	N.A.	N.A.
	Average rate	N.A.	N.A.

Note : Lignite used in steam turbine also generates low pressure steam which is used in production process. The cost of lignite is absorbed in arriving at cost of generation of electricity, above.

Sr.	PARTICULARS	2008-2009	2007-2008
B)	<b>Consumption per unit of production :</b>		
	<i>Agro Processing Unit</i> (Cost per Metric Ton of Production)		
1)	Electricity	248.18	271.14
2)	Coal	239.00	178.02
3)	Furnace Oil	N.A.	N.A.
4)	Diesel	N.A.	N.A.
5)	Others	N.A.	N.A.
	<i>Maize Processing Unit</i> (Cost per Metric Ton of Production)		
1)	Electricity	2438.53	2123.31
2)	Coal	N.A.	N.A.
3)	Furnace Oil	N.A.	N.A.
4)	Diesel	N.A.	N.A.
5)	Others	N.A.	N.A.
	<i>Cotton Yarn Unit</i> (Cost per Kg of Production)		
1)	Electricity	20.88	15.83
2)	Coal	N.A.	N.A.
3)	Furnace Oil	N.A.	N.A.
4)	Diesel	N.A.	N.A.
5)	Others	N.A.	N.A.

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION.**

**a) Research & Development (R&D)**

- i) Specific areas in which R&D carried out by the Company :
- The Research & Development efforts of the Company are directed towards quality control, cost reduction and improvement of in house expertise.
- ii) Benefits derived as a result of the above R&D:
- Benefits derived by the Company from its Research & Development activities are primary by way of improvements in product quality and cost effectiveness.
- iii) Future plan of action
- The Company plans to continue its efforts on in-house R&D to improve cost efficiency & achieving competitive edge.
- iv) Expenditure on R&D
- |   | 2008-2009 | 2007-2008 |
|---|-----------|-----------|
| (a) Expenditure on R&D                            | NIL       | NIL       |
| (b) Recurring                                     | NIL       | NIL       |
| (c) Total   | NIL       | NIL       |
| (d) Total R&D Expenditure as % of total turnover. | NIL       | NIL       |

**b) Technology Absorption, Adaptation and Innovation :**

- i) Efforts, in brief made towards technology absorption, adaptation and innovation.
- The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available.
- ii) Benefits derived as a result of the above efforts :
- The above efforts have improved the quality of the product. Besides it has also improved the productivity and reduced the wastages.
- iii) Information regarding technology imported during last five years : Not Applicable

**c) Foreign Exchange earning and outgo :**

	2008-2009	2007-2008
	RS.	RS.
Foreign Exchange Earned :	6186012020	8921921898
Foreign Exchange Used :	2083128353	2655609507

**Annexure "D" to the Directors' Report**

Information as per section 217(2A) of the Companies Act, 1956, read with Companies (particulars of employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2009.

Information showing names and other particulars of employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 24,00,000/- for financial year.

Sr. No.	Name of the Employee	Designation	Qualification	Age (Years)	Joining Date	Experience (Years)	Gross Remuneration (Rs.)	Last Employment	Last Designation
1	Mr. Vijaykumar Gupta	Chairman and Managing Director	B. IS	60	18.04.1998 (As M.D.)	37	2,00,13,057	Erstwhile Gujarat Ambuja Cotspin Ltd.	Managing Director
2	Mr. Manish Gupta	Managing Director	B. Com	37	28.12.1998 (As M.D.)	18	2,35,82,710	Erstwhile Gujarat Ambuja Proteins Ltd.	Managing Director

- Notes: 1. The gross remuneration includes salary, allowances, commission and monetary value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund and Superannuation Fund.
2. In addition to the above remuneration, employees are entitled to gratuity and balance of unavailed encashable leave in accordance with the Company's rules.
3. Nature of employment : Contractual and renewable
4. Mr. Vijay Kumar Gupta and Mr. Manish V Gupta are father and son and hence relative of each other and Mrs. Sulochana V Gupta and Mr. Mohit V Gupta, Directors of the company are also relatives of them.
5. Other terms and conditions are as per agreement and subject to provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and also as per Company's Rules.



## AUDITORS' REPORT

### The Members of Gujarat Ambuja Exports Limited

1. We have audited the attached balance sheet of **Gujarat Ambuja Exports Limited** as at **March 31, 2009** and also the related profit & loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies [Auditors' Report] Order, 2003 (CARO 2003) (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
  - (v) On the basis of the written representations received from the Directors, as on 31<sup>st</sup> March 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
    - (a) In the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2009.
    - (b) In the case of the profit & loss account, of the 'Profit' of the company for the year ended on that date.  
and
    - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

**For KANTILAL PATEL & CO.,  
CHARTERED ACCOUNTANTS**

Arpit K. Patel  
(Partner)

Place : Ahmedabad  
Date : July 23, 2009

Membership No.: 34032

### ANNEXURE REFERRED TO IN PARAGRAPH (3) OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF GUJARAT AMBUJA EXPORTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009.

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that :-

- (i) (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company's management has provided us with a representation that it has a phased programme of verification of fixed assets (i.e. once in a two years) and in accordance with such programme, the company has carried out a physical verification of certain fixed assets during the year and no material discrepancies were noticed on such verification.
- (c) Some of the fixed assets not utilised in manufacturing activities have been disposed off during the year, which in our opinion and according to the information and explanations given to us, has not affected the ability of the company to continue as a going concern.
- (ii) (a) Physical verification at reasonable intervals has been carried out by the management in respect of inventory except for the stocks in transit and stocks lying with the clearing agents, which have been confirmed by the parties. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company has maintained proper records of inventory and the discrepancies noticed on such physical verification as compared to book records were not material and have been adequately dealt with in the books of accounts.
- (iii) The company has not granted or taken any loan secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. And hence, paragraphs 4(iii) (a) to g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us during the course of the audit, the company has a generally adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory and fixed assets and with regard to the sale of goods and services. On the basis of our examination of the books of accounts and other records, we are of the opinion that there is no major weakness in the internal control system in respect of these areas.
- (v) In respect of contracts or arrangements referred to in section 301 of the Companies Act, 1956:
  - (a) In our opinion, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
  - (b) According to the information and explanations given to us where each such transaction made in pursuance of such contracts or arrangements in excess of Rs.5 lakhs in respect of any party, the transactions have been made at the prices, which are *prima facie* reasonable, having regard to the prevailing market prices available with the company for such transactions or prices at which transactions for similar goods have been made with other parties at the relevant time.
- (vi) The company has not accepted deposits from public during the year under audit, hence the directives issued by Reserve Bank of India and provisions of section 58A & 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules framed there under are not applicable.



- (vii) In our opinion, the company has an Internal Audit System commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of "Textile" products and are of the opinion that *prima facie* the prescribed records have been maintained. We have however not made a detailed examination of records.
- (ix) (a) The company is generally regular in depositing Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other material statutory dues to appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount in respect of aforesaid statutory dues were outstanding as at 31<sup>st</sup> March, 2009 for the period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the details of disputed amounts in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, and Excise Duty / Cess not deposited with the appropriate authorities are as follow:

Sr No.	Nature of the statute	Nature of dues	Amount (In Rs.)	Period to which amount relates	Forum where the dispute is pending
1.	The Income Tax Act, 1961	Disallowances of expenses	16,64,435	A.Y.1995-96	ITAT
		Disallowance of claims & penalty	1,49,15,402	A.Y.2003-04	ITAT
		Disallowances of claims	1,93,73,234	A.Y.2005-06	ITAT
2.	The Bombay Sales of Motor Spirit Taxation Act, 1958	Exemptions	1,71,732	1997-98	Tribunal
3.	The Central Excise Act, 1944	Classification	4,34,43,083	2004-05 & 2005-06	CESTAT
		Additional Demand	9,32,554	2004-05 & 2005-06	CESTAT
		Differential Duty	2,30,32,301	2004-05 & 2005-06	High Court
		Additional Demand	50,461	2006-07	CESTAT
4.	The Customs Act, 1962	Differential Duty	3,59,056	2003-04	Commissioner of Customs
		Differential Duty	1,17,289	2004-05	CESTAT
		Additional Custom Duty	39,60,000	2004-05	Commissioner of Customs (Appeals)
		Differential Duty	4,76,043	2006-07	CESTAT
5.	MP Entry Tax Act, 1976	Entry tax on Raw Materials	2,59,30,734	2007-08	High Court
6.	MP Vanijyik Kar Act, 1994	Purchase tax on Raw Materials	1,66,79,483	2004-05 & 2005-06	High Court
7.	Indian Stamp Act, 1899 (MP)	Stamp duty	58,60,000	2001-02	Board of Revenue
8.	Krishi Upaj Mandi Adhiniyam, 1972	Mandi Tax	2,27,660	2001-02	High Court
9.	The Gujarat Sales Tax Act, 1969	Sales Tax	3,45,323	1996-97	Tribunal
		Purchase Tax	4,23,464	1997-98	High Court
		Disallowance of sales & levy of interest & penalty	66,09,672	2004-05	Commissioner (Appeals)
10	Central Sales Tax Act, 1956	Disallowance of sales, non-Production of 'C' Forms	99,51,959	2004-05	Commissioner (Appeals)
11	The Bombay Electricity Duty Act, 1958	Additional Demand charges	52,71,938	2008-09	Consumer Grievances Forum

- (x) The company has no accumulated losses and has not incurred cash losses during the current financial year and immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to the banks or to the financial institutions. The company has not obtained any borrowing by way of debentures.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company has given guarantee for loans taken by subsidiary company. In our opinion and based on the information and explanations given to us, the terms and conditions are not prejudicial to the interests of the company.
- (xiv) On the basis of our examination of documents and records and according to the information and explanations given to us we are of the opinion that the company has deployed the term loan funds for the purpose for which they were obtained.
- (xv) According to the information and explanations given to us, on an over all examination of the balance sheet of the company, we report that no funds raised on short term basis, have been used for long term investment.
- (xvi) During the year, the company has not made preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956.
- (xvii) The company has not issued any debentures during the year.
- (xviii) The company has not raised any money by way of public issue during the year.
- (xix) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.
- (xx) In our opinion and according to the information and explanations given to us, the nature of the company's business / activities during the year are such that paragraphs:
- 4(xiii) provisions of any special statute applicable to chit fund,
- 4(xiv) dealing or trading in shares, securities, debentures and other investments
- of company (Auditors' Report) Order, 2003 are not applicable to the company.

**For KANTILAL PATEL & CO.,  
CHARTERED ACCOUNTANTS**

Arpit K. Patel  
(Partner)

Place : Ahmedabad  
Date : July 23, 2009

Membership No.: 34032


**BALANCE SHEET AS AT 31st MARCH 2009**

(Rupees in Crores)

PARTICULARS	SCHEDULE	AS AT 31.03.2009	AS AT 31.03.2008
<b>(A) SOURCES OF FUNDS</b>			
<b>1 SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	A	27.67	27.67
(b) Reserves & Surplus	B	274.57	330.67
		<b>302.24</b>	<b>358.34</b>
<b>2 LOAN FUNDS</b>			
(a) Secured Loans	C	90.32	513.95
(b) Unsecured Loans	D	0.77	1.15
		<b>91.09</b>	<b>515.10</b>
<b>3 DEFERRED TAX LIABILITY (NET)</b>			
(a) Deferred tax Liability	E	43.50	48.91
(b) Deferred tax Asset		(0.35)	(0.34)
		<b>43.15</b>	<b>48.57</b>
<b>TOTAL-</b>		<b>436.48</b>	<b>922.01</b>
<b>(B) APPLICATION OF FUNDS</b>			
<b>1 FIXED ASSETS</b>	F		
Gross Block		467.43	450.01
Less : Depreciation		224.02	188.19
Net Block		243.41	261.82
Add : Capital work in Progress and Advance for Capital Expenditure		5.33	5.48
		<b>248.74</b>	<b>267.30</b>
<b>2 INVESTMENTS</b>	G	<b>31.90</b>	<b>26.57</b>
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>	H		
(a) Inventories		199.38	461.28
(b) Sundry Debtors		62.91	91.84
(c) Cash & Bank Balances		24.52	141.48
(d) Other Current Assets		5.71	10.00
(e) Loans & Advances		61.73	55.40
<b>Sub Total - ( i )</b>		<b>354.25</b>	<b>760.00</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
(a) Current Liabilities	I	187.88	105.18
(b) Provisions	J	10.53	26.68
<b>Sub Total - ( ii )</b>		<b>198.41</b>	<b>131.86</b>
<b>Net Current Assets ( i - ii )</b>		<b>155.84</b>	<b>628.14</b>
<b>TOTAL-</b>		<b>436.48</b>	<b>922.01</b>
<b>Significant Accounting Policies</b>	T		
<b>Notes to Financial Statements</b>	U		

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

 FOR, KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS

 VIJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)

 MANISH V. GUPTA  
(MANAGING DIRECTOR)

 ARPIT K. PATEL  
(PARTNER)

 N. GIRIDHAR  
(V. P. FINANCE & ACCOUNTS)

 PARAS MEHTA  
(COMPANY SECRETARY)

 PLACE : AHMEDABAD  
Date : JULY 23, 2009

 PLACE : AHMEDABAD  
Date : JULY 23, 2009

BOOK VALUE : RS. 21.85 ON A SHARE OF RS. 2/- | LONG TERM DEBT ONLY RS. 15.91 CRORE



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009** (Rupees in Crores)

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
<b>(A) INCOME</b>			
Sales	<b>K</b>	<b>1,610.91</b>	1,839.32
Less : Excise Duty		<b>9.29</b>	12.68
Net Sales		<b>1,601.62</b>	1,826.64
Other Income	<b>L</b>	<b>4.27</b>	2.26
<b>TOTAL - "A"</b>		<b>1,605.89</b>	1,828.90
<b>(B) EXPENDITURE</b>			
(Increase) / Decrease in Stock	<b>M</b>	<b>86.30</b>	(55.52)
Material Consumption	<b>N</b>	<b>1,052.14</b>	1,386.86
Purchase of Trading Goods		<b>141.37</b>	90.93
Manufacturing Expenses	<b>O</b>	<b>124.77</b>	106.45
Employees' Cost	<b>P</b>	<b>32.07</b>	29.69
Administrative Expenses	<b>Q</b>	<b>10.53</b>	19.20
Sales Expenses	<b>R</b>	<b>66.66</b>	94.64
Finance & Other Charges	<b>S</b>	<b>11.00</b>	15.22
Exceptional items ( Loss on Disposal of Assets)		<b>0.00</b>	0.46
Depreciation		<b>36.36</b>	31.46
<b>TOTAL - "B"</b>		<b>1,561.20</b>	1,719.39
<b>Profit before Tax (A-B)</b>		<b>44.69</b>	109.51
Add : Prior Period items (Net)		<b>0.10</b>	0.00
Less : Provision for Taxation			
- Current tax		<b>18.80</b>	39.15
- Deferred tax (credit) / charge		<b>(5.43)</b>	(1.05)
- Fringe Benefit Tax		<b>0.24</b>	0.16
- Short Provision of Earlier Years		<b>7.61</b>	0.00
<b>Profit after Tax</b>		<b>23.57</b>	71.25
Add: Balance of Profit from Previous Year		<b>175.40</b>	124.78
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>198.97</b>	196.03
<b>APPROPRIATION</b>			
Transferred to General Reserve		<b>1.80</b>	7.50
Transferred to Capital Redemption Reserve		<b>0.00</b>	0.19
Interim Dividend		<b>5.53</b>	5.53
Dividend Distribution Tax on Interim Dividend		<b>0.94</b>	0.94
Proposed Final Dividend		<b>0.00</b>	5.53
Provision for Dividend Distribution Tax.		<b>0.00</b>	0.94
Balance carried to Balance Sheet		<b>190.70</b>	175.40
<b>TOTAL</b>		<b>198.97</b>	196.03
<b>Significant Accounting Policies</b>	<b>T</b>		
<b>Notes to Financial Statements</b>	<b>U</b>		
Earnings per Equity Share of Rs.2/- each (Basic & Diluted) (Refer Note 11 of Schedule "U")		<b>1.70</b>	5.13

This is the Profit & Loss Account referred to in our report of even date

For and on behalf of the Board of Directors

**FOR, KANTILAL PATEL & CO.**  
CHARTERED ACCOUNTANTS

**VIJAYKUMAR GUPTA**  
(CHAIRMAN & MANAGING DIRECTOR)

**MANISH V.GUPTA**  
(MANAGING DIRECTOR)

**ARPIT K. PATEL**  
(PARTNER)

**N. GIRIDHAR**  
(V. P. FINANCE & ACCOUNTS)

**PARAS MEHTA**  
(COMPANY SECRETARY)

**PLACE : AHMEDABAD**  
Date : JULY 23, 2009

**PLACE : AHMEDABAD**  
Date : JULY 23, 2009

TURNOVER Rs. 1602 CRORES | EPS : Rs. 1.70 ON A SHARE OF RS. 2/-



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

[Rupees in Crores]

PARTICULARS	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extraordinary items	44.69	109.51
Adjustment for :		
Depreciation / Amortisation	36.36	31.46
Loss on Exceptional Item	0.00	0.46
Income From Dividend	(1.01)	(0.07)
(Profit)/Loss on Sale of Asset	(0.05)	(0.54)
Profit on Sale of Investments (Net)	(0.26)	(1.24)
Finance and other charges	17.10	25.62
Interest Income	(6.12)	(10.40)
	<b>46.02</b>	<b>45.29</b>
<b>Operating Profit before Working Capital Changes</b>	<b>90.71</b>	<b>154.80</b>
Adjustments for :		
Trade & other Receivables	21.65	(72.78)
Inventories	261.90	(244.21)
Trade payables and Liabilities	11.55	69.51
Transitional Liability for Gratuity and Leave Encashment	0.00	(0.15)
	<b>295.10</b>	<b>(247.63)</b>
<b>Cash Generated from Operations</b>	<b>385.81</b>	<b>(92.83)</b>
Direct taxes (paid/adjusted)	(42.09)	(22.81)
<b>Net cash from Operating Activities [ A ]</b>	<b>343.72</b>	<b>(115.64)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(20.36)	(42.43)
Sale of Fixed Assets	0.83	4.79
Purchase of Investments	(86.44)	(19.75)
Sale of Investments	81.85	3.60
Interest Received	10.53	4.03
Dividend Received	1.01	0.07
	<b>(12.58)</b>	<b>(49.69)</b>
<b>Net cash generated/ (used) in Investing Activities [B]</b>	<b>(12.58)</b>	<b>(49.69)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of Shares	0.00	(3.31)
Proceeds from Borrowings	0.00	336.52
Repayment of Borrowings	(423.63)	(5.56)
Proceeds from Unsecured Loans	0.00	0.35
Repayment of Unsecured Loans	(0.37)	0.00
Finance and other charges Paid	(18.58)	(23.81)
Dividend and tax thereon paid	(5.52)	(12.41)
	<b>(448.10)</b>	<b>291.78</b>
<b>D. Net Cash from Financing Activities [C]</b>	<b>(448.10)</b>	<b>291.78</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(116.96)</b>	<b>126.45</b>
<b>Cash and Cash Equivalents at beginning of period</b>	<b>141.48</b>	<b>15.03</b>
<b>Cash and Cash Equivalents at end of Period</b>	<b>24.52</b>	<b>141.48</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(116.96)</b>	<b>126.45</b>
Major components of Cash and Cash Equivalents as at	31.03.2009	31.03.2008
Cash on hand(including cheques on hand)	0.48	0.69
With Scheduled Banks on :		
Current Accounts	4.18	2.75
Short term Deposits In Lien	12.83	133.41
In Lien Free	7.03	4.63
<b>Total [Refer Schedule H (c)]</b>	<b>24.52</b>	<b>141.48</b>

Notes:

1. The above Cash Flow has been prepared under Indirect Method set out in AS 3, issued by The Institute of Chartered Accountants of India.
2. Previous year figures have been restated wherever necessary to make them comparable with current year figures.

This is the Cashflow Statement referred to in our report of even date

For and on behalf of the Board of Directors

**FOR, KANTILAL PATEL & CO.**  
CHARTERED ACCOUNTANTS

**VIJAYKUMAR GUPTA**  
(CHAIRMAN & MANAGING DIRECTOR)

**MANISH V.GUPTA**  
(MANAGING DIRECTOR)

**ARPIT K. PATEL**  
(PARTNER)  
PLACE : AHMEDABAD  
Date : JULY 23, 2009

**N. GIRIDHAR**  
(V. P. FINANCE & ACCOUNTS)  
PLACE : AHMEDABAD  
Date : JULY 23, 2009

**PARAS MEHTA**  
(COMPANY SECRETARY)



**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009**

[Rupees in Crores]

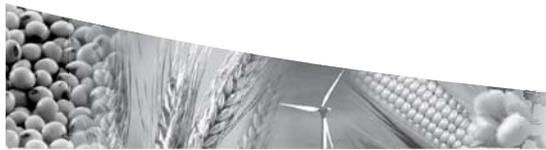
	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE "A" SHARE CAPITAL</b>		
<b>Authorised</b>		
250000000(P.Y.250000000) Equity shares of Rs.2/- each	50.00	50.00
	<u>50.00</u>	<u>50.00</u>
<b>Issued,Subscribed and Paid Up Capital</b>		
138351875 (P.Y.138351875) Equity Share of Rs.2/- each	27.67	27.67
Notes:		
i. Includes 31500000 (P.Y.31500000) Equity shares of Rs.2/- each issued at a premium of Rs.0.20 per share on conversion of Optionally Convertible Unsecured Debentures.		
ii. Includes 82188910 (P.Y.82188910) Equity shares of Rs.2/- each fully paid allotted on 30.4.99 in exchange of shares on amalgamation for consideration other than cash.		
iii. Includes 31085420 (P.Y.31085420) Equity shares of Rs.2/- each reduced as per Scheme of arrangement approved by Honourable Gujarat High Court order dated 17th February 2003.		
iv. Includes 20490000 (P.Y.20490000 ) Equity Shares of Rs.2/- each fully paid, allotted on 31.1.2004 in exchange of shares on amalgamation for consideration other than cash.		
Explanation to Notes : Till 16th January 2006, the Company's paid up Capital was made up of Equity Shares of Rs. 10/- each which was then split into Equity Shares of Rs.2/- each.In the above notes the number of shares and premium is restated as related to Equity shares of Rs. 2/- each.		
v. Includes 966615 (P.Y.966615 ) Equity Shares of Rs. 2/- each bought back and extinguished pursuant to Scheme of Buy-back from open market through stock exchange route which closed on 15.01.2008.		
	<u>27.67</u>	<u>27.67</u>
<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Balance as per last Balance Sheet	147.45	143.02
Less : Transitional Liability under AS 15 (Includes Deferred tax Nil, P.Y. Rs.0.05 Crores)	0.00	0.10
Less : Utilised for Buy Back of Equity Shares	0.00	3.12
Add : Transferred from Capital Subsidy	0.00	0.15
Add : Transferred from Profit & Loss Account	1.80	7.50
	<u>149.25</u>	<u>147.45</u>
<b>Hedge Reserve</b>		
Balance as per last Balance Sheet	0.00	0.00
Add : Addition during the year (Refer Note No. 7 of Schedule "U" )	(73.57)	0.00
	<u>(73.57)</u>	<u>0.00</u>
<b>Capital Subsidy</b>		
Balance as per last Balance Sheet (Refer Accounting Policy "O" of Schedule "T")	0.50	0.65
Add : Subsidy Received During the Year	0.37	0.00
Less : Transfer to General Reverse	0.00	0.15
	<u>0.87</u>	<u>0.50</u>
<b>Amalgamation Reserve Account</b>		
Balance as per last Balance Sheet	0.02	0.02
	<u>0.02</u>	<u>0.02</u>



**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009**

[Rupees in Crores]

	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE "B" RESERVES &amp; SURPLUS (Contd.)</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	0.89	0.89
	<u>0.89</u>	<u>0.89</u>
<b>Capital Redemption Reserve</b>		
Opening Balance	6.41	6.22
Add : Transferred from Profit & Loss Account	0.00	0.19
	<u>6.41</u>	<u>6.41</u>
<b>Surplus as per Profit and Loss Account</b>	<b>190.70</b>	<b>175.40</b>
	<u>274.57</u>	<u>330.67</u>
<b>SCHEDULE "C" SECURED LOANS</b>		
<b>(A) Term Loans</b>		
(I) from Indian Renewable Energy Development Agency, New Delhi	2.16	2.83
Interest accrued and due on above	0.00	0.00
(Secured by hypothecation of Wind Mills, Mortgage of related land & personal guarantee of three promoter Directors.)		
[Principal repayable within one year Rs. 0.67 Crores (P.Y. Rs.0.67 Crores)]		
	<u>2.16</u>	<u>2.83</u>
(II) from Bank of India, under TUF scheme	13.75	18.75
(Secured by hypothecation of specific movable Plant & Machinery & personal guarantee of three promoter Directors.)		
[Principal repayable within one year Rs. 5.00 Crores (P.Y. Rs.5.00 Crores)]		
(III) from Punjab National Bank	0.00	0.10
Interest accrued and due on above (Rs. Nil, P.Y. Rs. 12325/-)	0.00	0.00
(Secured by pledge of fixed deposit of Rs. 0.15 Crores)		
[Principal repayable within one year Rs. Nil ( P.Y. Rs. 0.10 Crores)]		
	<u>0.00</u>	<u>0.10</u>
	<u>15.91</u>	<u>21.68</u>
<b>(B) Other Loans - Working Capital</b>		
From Banks	74.41	492.27
(Secured by a hypothecation of current assets & certain tangible movable plant & machinery and joint equitable mortgage of certain immovable fixed assets of the Company and personal guarantee, mortgage and security of certain personal assets of three promoter directors and against lien on Fixed Deposits of the Company.)		
	<u>90.32</u>	<u>513.95</u>
<b>SCHEDULE "D" UNSECURED LOANS</b>		
Dealers' & Distributors' Deposits	0.77	1.15
	<u>0.77</u>	<u>1.15</u>
<b>SCHEDULE "E" DEFERRED TAX</b>		
<b>Deferred tax Liability</b>		
Depreciation	43.50	48.91
	<u>43.50</u>	<u>48.91</u>
<b>Deferred tax Assets</b>		
Provisions- 43 B items	(0.35)	(0.34)
	<u>(0.35)</u>	<u>(0.34)</u>
<b>Deferred Tax Liability (Net)</b>	<b>43.15</b>	<b>48.57</b>



**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009**

[Rupees in Crores]

**SCHEDULE "F" FIXED ASSETS (AT COST)**

SR No.	PARTICULARS	Gross Block				Depreciation				Net Block	
		As at 01.04.2008	Additions During the year	Deductions During the year	As at 31.03.2009	As at 01.04.2008	For the year	Deductions during the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
	<b>Tangible Assets</b>										
1	Free Hold Land	2.81	1.53	0.00	4.34	0.00	0.00	0.00	0.00	4.34	2.81
2	Lease Hold Land	5.91	0.00	0.00	5.91	0.00	0.08	0.00	0.08	5.83	5.91
3	Factory Building	68.75	2.62	0.00	71.37	19.52	2.32	0.00	21.84	49.53	49.23
4	Non-Factory Building & Colony	8.28	1.20	0.00	9.48	1.86	0.14	0.00	2.00	7.48	6.42
5	Plant & Machinery	269.50	9.04	0.31	278.23	134.15	26.26	0.35	160.06	118.17	135.35
6	Wind Mill	31.98	0.00	0.00	31.98	3.14	1.69	0.00	4.83	27.15	28.84
7	Electric Supply System	11.10	1.11	0.00	12.21	5.60	0.55	0.00	6.15	6.06	5.50
8	Vehicles	4.92	1.57	0.33	6.16	2.07	0.58	0.17	2.48	3.68	2.85
9	Furniture & Fixtures	2.00	0.56	0.00	2.56	1.40	0.49	0.00	1.89	0.67	0.60
10	Office Equipments	3.41	0.43	0.01	3.83	1.58	0.33	0.01	1.90	1.93	1.83
11	D.G.Set	28.41	0.16	0.00	28.57	16.66	2.73	0.00	19.39	9.18	11.75
12	Temple (Addition Rs.14625/-)	0.30	0.00	0.00	0.30	0.04	0.01	0.00	0.05	0.25	0.26
13	Factory Road	1.38	0.07	0.00	1.45	0.11	0.02	0.00	0.13	1.32	1.27
14	Effluent Treatment Plant (Refer Note 4)	9.80	0.41	0.65	9.56	1.51	0.96	0.00	2.47	7.09	8.29
	<b>Intangible Assets</b>										
1	Trade Mark	0.50	0.00	0.00	0.50	0.40	0.05	0.00	0.45	0.05	0.10
2	Computer Software (SAP)	0.96	0.02	0.00	0.98	0.15	0.15	0.00	0.30	0.68	0.81
	<b>TOTAL</b>	<b>450.01</b>	<b>18.72</b>	<b>1.30</b>	<b>467.43</b>	<b>188.19</b>	<b>36.36</b>	<b>0.53</b>	<b>224.02</b>	<b>243.41</b>	<b>261.82</b>
	Previous year	391.90	63.21	5.10	450.01	157.12	31.46	0.39	188.19	261.82	234.78
	CAPITAL WORK IN PROGRESS	0.96	7.36	8.22	0.10	0.00	0.00	0.00	0.00	0.10	0.96
	ADVANCE FOR CAPITAL EXPENDITURE	4.52	2.27	1.56	5.23	0.00	0.00	0.00	0.00	5.23	4.52
	<b>TOTAL</b>	<b>5.48</b>	<b>9.63</b>	<b>9.78</b>	<b>5.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.33</b>	<b>5.48</b>
	Previous year	27.47	33.17	55.16	5.48	0	0	0	0.00	5.48	27.47

- 1 Estimated amount of capital contracts (net) pending to be executed Rs.32.52 Crores (P Y Rs. 29.83 Crores).
- 2 During the year Company has capitalised borrowing costs of Rs. Nil (P.Y. 0.13 Crores).
- 3 Opening Balances of Freehold and Leasehold Land have been reclassified.
- 4 Capital Subsidy received in respect of specific assets has been deducted from the cost of the assets and depreciation charged accordingly.

**AS AT 31.03.2009 AS AT 31.03.2008**

**SCHEDULE "G" INVESTMENTS (AT COST)**

<b>I (LONG TERM INVESTMENTS) (NON TRADE)</b>			<b>AS AT 31.03.2009</b>	<b>AS AT 31.03.2008</b>
<b>i. QUOTED ( IN EQUITY SHARES)</b>				
300	[P.Y. 300] ACC Limited of Rs.10/- each fully paid up.		<b>0.02</b>	0.02
10	[P.Y. 10] Adani Enterprises Ltd.of Rs.1/- each fully paid up. [Rs.594/- (P.Y. Rs.594/-)]		<b>0.00</b>	0.00
50380	[P.Y. 50380] Ambuja Cement Ltd.of Rs.2/- each fully paid up.		<b>0.62</b>	0.62
20302	[P.Y.20302 ] Andhra Bank of Rs. 10/- each fully paid up.		<b>0.18</b>	0.18
25	[P.Y. 25] Arvind Mills Ltd.of Rs.10/- each fully paid up. [Rs.261/- (P.Y. Rs.261/-)]		<b>0.00</b>	0.00
100000	[P.Y. 100000] Ashok Leyland Ltd. of Rs.1/- each fully paid up.		<b>0.36</b>	0.36
24735	[P.Y. 24735] Central Bank of India of Rs.10/- each fully paid up.		<b>0.19</b>	0.19
3391	[P.Y. 3391] Edelweiss Capital Ltd. of Rs.5/- each fully paid up.		<b>0.28</b>	0.28
4992	[P.Y. 4992] Firstsource Solutions Ltd. of Rs 10/- each fully paid up.		<b>0.03</b>	0.03
35290	[P.Y. 35290] Gateway Distriparks Ltd. of Rs.10/- each fully paid up.		<b>0.30</b>	0.30
5400	[P.Y. 5400] Gujarat Alkalies & Chemicals Ltd.of Rs.10/- each fully paid up.		<b>0.08</b>	0.08
62631	[P.Y.62631] Gujarat State Petronet Ltd. of Rs.10/- each fully paid up.		<b>0.17</b>	0.17
10000	[P.Y.10000] Hindalco Industries Ltd. of Rs.1/- each fully paid up.		<b>0.19</b>	0.19
39897	[P.Y.39897] Hotel Leela Venture Ltd. of Rs.2/- each fully paid up.		<b>0.17</b>	0.17
5426	[P.Y.5426] ICICI Bank Ltd. of Rs.10/- each fully paid up.		<b>0.50</b>	0.50
203965	[P.Y.203965] IDEA Cellular Ltd. of Rs.10/- each fully paid up.		<b>1.53</b>	1.53
10000	[P.Y. 10000] I D F C Ltd. of Rs.10/- each fully paid up.		<b>0.22</b>	0.22
2000	[P.Y. 1000] Larsen & Toubro Ltd. of Rs.2/- each fully paid up. (Includes 1000 Shares received as Bonus Shares during the year.)		<b>0.28</b>	0.28
5	[P.Y. 5] Maral Overseas Ltd. of Rs.10/- each fully paid up. [Rs.116/- (P.Y. Rs.116/-)]		<b>0.00</b>	0.00



**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009**

[Rupees in Crores]

	<b>AS AT 31.03.2009</b>	<b>AS AT 31.03.2008</b>
<b>i. QUOTED ( IN EQUITY SHARES) (Contd.)</b>		
114822 [P.Y. 114822] Meghmani Organics Ltd. of Rs.1/- each fully paid up.	0.22	0.22
77770 [P.Y. 88770] NTPC Ltd. of Rs.10/- each fully paid up.	1.13	1.29
41100 [P.Y. 66600] Oil & Natural Gas Corp.Ltd. of Rs.10/- each fully paid up.	4.06	6.58
5583 [P.Y. 5583] Omaxe Limited of Rs.10/- each fully paid up.	0.17	0.17
351700 [P.Y. 251700] Petronet LNG Ltd. of Rs.10/- each fully paid up.	2.60	1.79
9539 [P.Y. 9539] Power Finance Corp. Ltd. of Rs.10/- each fully paid up.	0.08	0.08
254559 [P.Y. 254559] Power Grid Corporation of India Ltd. of Rs.1/- each fully paid up.	1.33	1.33
100 [P.Y. 100] Riddhi Siddhi Gluco Byols Ltd. of Rs.10/- each fully paid up. [Rs.1075/- (P.Y. Rs.1075/-)]	0.00	0.00
15000 [P.Y. 10000] Shipping Corporation of India Ltd. of Rs.10/- each fully paid up. (Includes 5000 Shares received as Bonus Shares during the year.)	0.21	0.21
24600 [P.Y. 24600] Steel Authority of India Ltd. of Rs.10/- each fully paid up.	0.51	0.51
1500 [P.Y.1500] Sukhjit Starch & Chemicals Ltd. of Rs.10/- each fully paid up.	0.02	0.02
7000 [P.Y. 7000] Tata Motors Ltd.of Rs.10/- each fully paid up.	0.44	0.44
4037 [P.Y. 37] Tata Steel Ltd. of Rs.10/- each fully paid up. (P.Y. Rs.11100/-)	0.10	0.00
40000 [P.Y. 40000] Tata Teleservices Maharashtra Ltd. of Rs.10/- each fully paid up.	0.13	0.13
<b>ii. QUOTED (IN PREFERENCE SHARES)</b>		
182 [P.Y. 182] CCPS of Tata Steel Ltd. of Rs.10/- each fully paid up [Rs.18200/- (P.Y. Rs.18200/-)]	0.00	0.00
<b>iii. QUOTED (IN BONDS)</b>		
30 [ P.Y. 30 ] PNB Long Term LOA Perpetual Bonds (Interest 10.40%)	3.00	3.00
8011 [ P.Y. Nil ] NABARD Bhavishya Nirman Bond	6.65	0.00
5 [ P.Y. Nil ] Syndicate Bank - 9.35% Bond	0.44	0.00
<b>iv. UNQUOTED [IN EQUITY SHARES]</b>		
10000 [P.Y. 10000] Equity shares of Kalupur Com. Co-Op Bank Ltd. of Rs 25/- each fully paid up.	0.02	0.02
<b>v. UNQUOTED [IN MUTUAL FUND]</b>		
250000 [P.Y. 250000 ] Units of Reliance Mutual Fund of Rs.10/- each	0.25	0.25
312030.741 [ P.Y. 311721.854 ] Units of Kotak Lifestyle Mutual Fund of Rs.10/- each	0.32	0.32
100000 [P.Y. 100000 ] Units of PNB Long Term Equity Fund of Rs.10/- each	0.10	0.10
<b>vi. UNQUOTED [ IN GOVERNMENT SECURITY]</b>		
National Saving Certificates [Lodged with Sales tax & Other Government authorities ]	0.02	0.01
<b>II. LONG TERM INVESTMENTS (TRADE)</b>		
<b>UNQUOTED (IN EQUITY SHARES)</b>		
<b>(i) In Subsidiary Company</b>		
854212 [P.Y. 854212] Ordinary Shares of One Singapore Dollar each fully paid in Gujarat Ambuja International Pte Ltd.	2.06	2.06
<b>(ii) In Others</b>		
389490 [P.Y.389490] Equity shares of Jupiter Corporate Services Ltd. of Rs 10/- each fully paid up.	1.94	1.94
2083580 [P.Y. 2083580] Equity Shares of Royale Exports Ltd. Srilanka each of Rs.10/- of Srilankan Rupees	0.98	0.98
(Also refer Note 14 of Schedule "U")	<b>31.90</b>	<b>26.57</b>
AGGREGATE COST OF QUOTED INVESTMENTS	<b>26.21</b>	20.89
AGGREGATE COST OF MUTUAL FUND	<b>0.67</b>	0.67
AGGREGATE COST OF UNQUOTED INVESTMENTS	<b>5.02</b>	5.01
MARKET VALUE OF QUOTED INVESTMENTS	<b>24.16</b>	20.00
NAV OF MUTUAL FUND	<b>0.66</b>	0.77
<b>SCHEDULE "H" CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>a Inventories (As taken, valued &amp; certified by the management)</b>		
Raw Materials	<b>98.84</b>	284.60
Packing Materials	<b>7.40</b>	5.41
Stores & Spares, Coal, Diesel, Furnace Oil	<b>22.92</b>	14.75
Work in Process	<b>2.59</b>	2.27
Finished Goods	<b>67.63</b>	154.25
	<b>199.38</b>	461.28



**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009**

[Rupees in Crores]

	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE "H" CURRENT ASSETS, LOANS AND ADVANCES (Contd.)</b>		
<b>b Sundry Debtors (Unsecured, Considered Good)</b>		
Outstanding for a period exceeding six months	0.33	0.18
Others	62.58	91.66
	<u>62.91</u>	<u>91.84</u>
<b>c Cash &amp; Bank Balances</b>		
Cash on Hand	0.48	0.69
Balance with Banks		
(i) With Scheduled Banks		
(a) in Current accounts	2.20	1.95
(b) in Current account (unclaimed dividend)	1.87	0.74
(c) in Fixed Deposit (with Bank as Lien towards margin money for Line of Credit)	12.83	133.41
(d) Lien Free Fixed Deposit	7.03	4.63
(ii) With Other Banks		
(a) Current accounts	0.11	0.06
Includes balances with		
(a) Shri Kadi Nagrik Sahakari Bank Ltd Rs. Nil (P.Y. Rs 19893/-) (Maximum balance outstanding during the year Rs.19893/- P.Y. Rs.19893/-)		
(b) The Akola Janta Comm.Co.Op.Bank Ltd Rs.1068699/-(P.Y.Rs.546520/-) (Maximum balance outstanding during the year Rs. 3186839/- P.Y.Rs.7850274/-)		
	<u>24.52</u>	<u>141.48</u>
<b>d Other Current Assets</b>		
Interest Receivable	2.35	6.77
Exports Incentive Receivable	3.36	3.23
	<u>5.71</u>	<u>10.00</u>
<b>e Loans &amp; Advances (Unsecured, Considered Good)</b>		
Advances recoverable in cash or in kind or for value to be received	59.27	51.20
Advances for Goods & Expenses	1.43	1.34
Excise Balances	0.80	1.81
Tax Balances: (Advance Tax Less Provisions)	0.23	1.05
	<u>61.73</u>	<u>55.40</u>
<b>SCHEDULE "I" CURRENT LIABILITIES</b>		
Creditors for Capital Goods	0.76	2.54
Creditors for Goods & Expenses	95.55	81.06
Advance Received from Customers	1.40	2.11
Advance Received from Subsidiary	0.00	0.10
Interest Accrued but not due	0.57	2.05
Bank Overdraft as per Books	0.07	0.43
Other Liabilities	14.09	15.97
Provision for Mark to Market loss on Outstanding Forward Contracts	73.57	0.00
Unclaimed Dividend(Not due for transfer to I.E & P Fund)	1.87	0.92
	<u>187.88</u>	<u>105.18</u>
<b>SCHEDULE "J" PROVISIONS</b>		
Interim Dividend (Including Dividend Distribution Tax Rs. 0.94 Crores P.Y Rs. Nil)	6.48	0.00
Proposed Dividend (Including Dividend Distribution Tax Rs. Nil P.Y Rs. 0.94 Crores )	0.00	6.48
Tax Balances: (Provisions Less Advance Tax)	3.59	19.86
Provision for Employee Benefits	0.46	0.34
	<u>10.53</u>	<u>26.68</u>



SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

[Rupees in Crores]

	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>SCHEDULE "K" SALES</b>		
Export Sales [FOB Value Rs. 618.60 Crores (P.Y.Rs 892.19 Crores)]	643.02	927.16
Domestic Sales	967.89	912.16
	<b>1,610.91</b>	<b>1,839.32</b>
<b>SCHEDULE "L" OTHER INCOME</b>		
<b>OPERATIONAL</b>		
Miscellaneous Income	2.93	0.41
Profit on Sale of Assets	0.05	0.54
	<b>2.98</b>	<b>0.95</b>
<b>OTHER</b>		
Dividend from Long Term Investments (Non Trade)	0.34	0.07
Dividend from Short Term Investments (Non Trade)	0.67	0.00
Profit on Sale of Short Term Investments (Non Trade)	0.21	1.24
Profit on Sale of Long Term Investments (Non Trade)	0.05	0.00
Interest Income on bonds (TDS Rs.33020/-)	0.02	0.00
	<b>1.29</b>	<b>1.31</b>
	<b>4.27</b>	<b>2.26</b>
<b>SCHEDULE "M" (INCREASE) / DECREASE IN STOCK</b>		
Opening Stock :		
Work-in-Process	2.27	2.18
Finished Goods	154.25	98.82
	<b>156.52</b>	<b>101.00</b>
Less : Closing Stock :		
Work-in-Process	2.59	2.27
Finished Goods	67.63	154.25
	<b>70.22</b>	<b>156.52</b>
	<b>86.30</b>	<b>(55.52)</b>
<b>SCHEDULE "N" MATERIAL CONSUMPTION</b>		
Raw Materials		
Opening Stock :	284.60	103.52
Add : Raw Materials Purchased	840.90	1,555.83
	<b>1,125.50</b>	<b>1,659.35</b>
Less : Sale of Raw Materials	0.00	3.84
Less : Closing Stock :	98.84	284.60
	<b>1,026.66</b>	<b>1,370.91</b>
Raw Material Consumption	25.48	15.95
Packing Material Consumption		
<b>Total Material Consumption</b>	<b>1,052.14</b>	<b>1,386.86</b>
<b>SCHEDULE "O" MANUFACTURING EXPENSES</b>		
Stores & Spares Consumed	17.19	15.10
Power,Electricity,Diesel,LDO & Fuel Expenses	73.10	63.35
Chemicals & Lub Oil Consumed	12.45	9.29
Repairs : Plant & Machinery	1.25	0.82
Building	0.39	0.53
Others	0.63	1.07
Insurance	0.91	1.06
Other Manufacturing Expenses	19.86	18.80
	<b>125.78</b>	<b>110.02</b>
Less : Job work charges Recovered	1.01	3.57
	<b>124.77</b>	<b>106.45</b>



SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

[Rupees in Crores]

	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>SCHEDULE "P" EMPLOYEES' COST</b>		
Salary,Wages, Bonus, Gratuity & Leave encashment	26.05	21.46
Commission to Managing Directors	3.92	6.94
Contribution to Provident Fund & Other Funds	1.27	1.10
Staff Welfare	0.83	0.19
	32.07	29.69
<b>SCHEDULE "Q" ADMINISTRATIVE EXPENSES</b>		
Conveyance & Travelling Expenses [Including Directors Travelling Rs. 0.46 Crores (P.Y.Rs 0.10 Crores)]	1.71	2.40
Electricity	0.39	0.35
Vehicle Maintenance	1.27	1.16
Insurance	0.37	0.45
Printing,Stationery,Postage & Telephone	1.84	1.42
Legal & Professional	1.00	1.61
Rent	0.34	0.51
Rates & Taxes	0.26	0.18
Donations	0.25	0.06
Foreign Exchange Fluctuation	(0.19)	5.79
Payment to Auditors :		
For Audit	0.12	0.10
For Tax Audit	0.05	0.03
For Taxation Matters	0.02	0.00
For Others	0.02	0.01
General Administrative Charges	3.08	5.13
	10.53	19.20
<b>SCHEDULE "R" SALES EXPENSES</b>		
<b>For Domestic Sales</b>		
Local Sales Expenses	12.17	11.90
Commission & Brokerage	1.79	1.36
Rent (Godowns / Warehouses)	0.20	0.16
Bad Debts Written Off	0.03	0.00
	14.19	13.42
<b>For Export Sales</b>		
Exports Sales Expenses	49.31	79.65
Commission & Brokerage	3.13	1.54
Insurance	0.03	0.03
	52.47	81.22
	66.66	94.64
<b>SCHEDULE "S" FINANCE &amp; OTHER CHARGES</b>		
Interest on Fixed Loans / Term Loan	1.19	1.50
Interest on Working Capital Loans	8.89	16.22
Interest on Others	0.27	0.40
Bank and Other Financial Charges	6.75	7.50
	17.10	25.62
<b>LESS : Income</b>		
Interest on Bank Deposits (Gross) [TDS: Rs.1.27 Crores (P.Y.TDS Rs 2.26 Crores)]	5.86	10.03
Interest from Others (Gross) [TDS Rs.0.03 Crores (P.Y.TDS Rs 0.01 Crores)]	0.24	0.37
	6.10	10.40
<b>Net Finance Charges</b>	11.00	15.22



## **SCHEDULE "T" SIGNIFICANT ACCOUNTING POLICIES :**

### **A) ACCOUNTING CONVENTION :**

The financial statements have been prepared in accordance with the accounting principles generally accepted in India (Indian GAAP) and comply with the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and relevant provisions of Companies Act, 1956 and are based on the historical cost convention.

### **B) USE OF ESTIMATES :**

Preparation of financial statements in conformity with the generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Difference between the actual result and estimates, are recognised in the period in which the results are known/materialised.

### **C) REVENUE RECOGNITION :**

#### **i) SALES:**

- a) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.
- b) Sales is inclusive of excise, export incentives/ licenses, profit or loss on forward exchange contracts on sales and exclusive of VAT/sales tax and trade discount.
- c) Excise duty paid for captive consumption of goods, where cenvat credit is not available, is shown as excise expense.

#### **ii) DIVIDEND INCOME:**

Dividend income from Investment is accounted for when the right to receive is established.

#### **iii) EXPORT BENEFITS/INCENTIVES:**

The benefits are accounted on the accrual basis.

### **D) FIXED ASSETS, DEPRECIATION AND EXPENDITURE DURING CONSTRUCTION PERIOD:**

- i) Fixed assets are stated at cost of acquisition & installation, net of cenvat and VAT credits availed, if any, less accumulated depreciation and impairment loss, if any. Borrowing costs incurred during the period of Construction/acquisition of assets is added to the cost of Fixed Assets. Major expenses on modification /alterations increasing efficiency/capacity of the plant are also capitalised.
- ii)
  - a) Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956 (as amended).
  - b) Incremental cost arising on account of translation of foreign currency liabilities up to 31.03.2007 for acquisition of fixed assets, depreciation has been provided over the residual life of the respective assets.
  - c) In respect of major alterations/modifications forming an integral part of existing assets, depreciation is provided at the rate arrived on the basis of useful life of such assets after such alterations/modifications or at the rate prescribed under Schedule XIV, whichever is higher on the total value of such assets.

#### **iii) IMPAIRMENT OF ASSETS :**

The carrying amount of assets is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of fixed assets exceeds its recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

### **E) INVESTMENTS:**

Investments are classified into current and long term investments. Long term investments are carried at cost. A provision for diminution in value of long term investments is made for each investment individually, if such decline is other than temporary. Current investments are stated at the lower of cost and fair value, computed categorywise.

### **F) INVENTORIES:**

Inventories are valued as under :

- i) RAW MATERIALS, PACKING MATERIALS AND STORES & SPARES. Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis. Due provision for obsolescence is made.
- ii) FINISHED GOODS & WORK IN PROGRESS At cost or net realisable value, whichever is lower. Cost is determined on absorption basis. Due provision for obsolescence is made.

### **G) EMPLOYEE BENEFITS :**

#### **a) Short Term Employee Benefits :**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

#### **b) Post-Employment Benefits :**

##### **(i) Defined Contribution Plans:**

State governed provident fund scheme and employees state insurance scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees renders the related services.



(ii) **Defined Benefit Plans:**

The employee's gratuity fund scheme and compensated absences is Company's defined benefit plans.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligations under the defined benefit plans, to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

c) **Long term employee benefits :**

The obligation for long term employee benefits such as long term compensated absences, is recognised in the same manner as in case of defined benefit plans as mentioned in b) (ii) above.

**H) BORROWING COSTS:**

Borrowing costs whether specific or general, utilized for acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till the activities necessary for its intended use are complete. General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year. All other borrowing costs are charged in statement of Profit & Loss of the year in which incurred.

**I) TAXES ON INCOME AND EXPENSES :**

a) Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realised. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

b) Fringe benefit tax has been determined at current applicable rate on taxes falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

**J) FOREIGN CURRENCY TRANSACTIONS:**

i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

ii) Monetary items denominated in foreign currency at the year end are translated at the exchange rates prevailing at the Balance Sheet date.

iii) Premium or discount arising at the inception of the forward exchange contract is amortised as income or expense over the period of the contract. Any profit or loss arising in renewal or cancellation of forward exchange contracts is recognised as income or expense during the year.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account.

**K) DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING:**

The Company uses foreign currency contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to such contracts the principles of recognition set out in the Accounting Standard (AS 30) on 'Financial Instruments – Recognition and Measurement'. Changes in the fair value of the contracts that are designated and effective as hedge is directly recorded in the Hedge Reserve Account and is recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss. Gains or losses on the ineffective transactions are recognized immediately in the Profit and Loss Account.

**L) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Provisions are recognised when the Company has present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes to financial statements.

Contingent Assets are neither recognised nor disclosed in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

**M) CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :**

All contingencies and events occurring after the Balance Sheet date which have a material effect on the financial position of the Company are considered for preparing the financial statements.

**N) RESEARCH AND DEVELOPMENT EXPENSES :**

Expenditure relating to capital items is debited to Fixed Assets and depreciated at applicable rates. Revenue expenditure is charged to Profit and Loss Account of the period in which they are incurred.

**O) GOVERNMENT GRANTS :**

i) The grants/subsidies received in the nature of promoters' contribution are treated as capital receipts and credited to Capital Reserve.

ii) The grants/subsidies relating to specific fixed assets are shown as deduction from the cost of the respective assets concerned in arriving at its book value.

iii) Grant in the form of revenue subsidy is treated as revenue receipt and credited to 'Sales' in Profit and Loss Account.

**P) EXCISE DUTY :**

Finished Goods lying at factories have been valued at inclusive of Excise Duty. The claim of Cenvat for Excise Duty paid on inputs is accounted on the basis of claim. The Cenvat claim for Excise paid on capital goods is accounted when the claim is allowed.



**SCHEDULE "U" NOTES TO FINANCIAL STATEMENTS :**

[Rupees in Crores]

**1. Contingent liabilities not provided for in respect of:**

	<b>PARTICULARS</b>	<b>2008-09</b>	<b>2007-08</b>
(a)	Claims against the Company /disputed liabilities not acknowledged as debts	<b>1.76</b>	4.67
(b)	Disputed Excise duty, Sales Tax, Motor Spirit Tax, Income Tax Claims etc.	<b>17.98</b>	18.77
(c)	Export obligation on duty free imports (Differential amount of custom duty in respect of machinery and raw materials imported under EPCG and Advance License Scheme)	<b>0.06</b>	0.11
(d)	Corporate guarantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte. Ltd. Outstanding against this as at 31st March	<b>12.68</b> (US\$2.5Mn) Nil	10.02 (US\$2.5Mn) Nil

**Note:** a) Outflow in respect of 1 (a) and (b) disputes/contingencies is dependent upon final outcome of the disputes or ultimate agreement to resolve the differences.

b) Future cash outflows in respect of 1 (c) depends if Company is unable to fulfill export obligation of 15593 MT of Castor DOC under Advance License Scheme on or before 30<sup>th</sup> November 2009.

- In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- Sales include realized loss of exchange on forward exchange contracts (Net of settlements) entered into primarily for hedging purpose Rs. 48.59 crores (P.Y. Gain Rs 10.44 crores (net)).
- Based on the information available with the Company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act,2006 as at March 31,2009. Hence, the disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given. This is relied upon by the Auditors.
- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**6. a) Managerial Remuneration:**

<b>PARTICULARS</b>	<b>2008-09</b>	<b>2007-08</b>
Salary	<b>0.61</b>	0.50
Contribution to PF & Other Funds (Rs. 34320/- P.Y. Rs. 28080/-)	<b>0.00</b>	0.00
Value of Perquisite (As per I.T.Valuation)	<b>0.08</b>	0.00
Commission	<b>3.92</b>	6.94
<b>Total</b>	<b>4.61</b>	7.44

**Note:** Managing Directors/Wholtime Directors are covered under the Company's Gratuity and Leave Encashment scheme alongwith the other employees of the Company. The gratuity and leave encashment liability for all employees is determined on the basis of an independent actuarial valuation and the specific amount of gratuity and leave encashment for Managing Directors and Wholtime Directors can not be ascertained separately and hence the same has not been included above.

**b) Computation of net profits under section 349 of the Companies Act,1956**

	<b>2008-09</b>	<b>2007-08</b>
Net Profit Before Taxation	44.69	109.51
<b>ADD:</b>		
1 Depreciation (As per Accounts)	36.36	31.46
2 Directors' Remuneration	4.61	7.44
3 Directors' Fees (Sitting Fees)	0.04	0.05
4 Loss on discarding of Assets (Exceptional item)	0.00	0.46
<b>Sub Total (A)</b>	<b>85.70</b>	<b>148.92</b>
<b>LESS:</b>		
1 Depreciation under Section 350	36.36	31.46
2 Surplus on disposal of Fixed Assets (net)	0.05	0.53
3 Surplus on disposal of Investments (net)	0.26	1.24
<b>Sub Total (B)</b>	<b>36.67</b>	<b>33.23</b>
<b>Net Profit as per Section 198 of the Companies Act,1956 (A-B)</b>	<b>49.03</b>	<b>115.69</b>
Commission on net profit restricted to 8% (Previous Year 6%) to be shared between two Managing Directors in the ratio as per Board approval.	3.92	6.94

**Note:** The total remuneration as stated at point no 6(a) above is within the maximum permissible limit under the Act.

**7. Change in Accounting Policy**

Upto 31<sup>st</sup> December 2008 the Company was following the accounting policy of recognizing loss on outstanding forward and derivative contracts by marking them to market basis in the Profit & Loss account and recognized the loss of Rs. 30.42 crores for the period ended 31<sup>st</sup> December 2008.

Effective from 1<sup>st</sup> January 2009, the Company has changed the Accounting policy of recognizing the impact of fluctuation in respect of forward and derivative contracts by applying the principles of recognition set out in the International Accounting Standards as



suggested by The Institute of Chartered Accountants of India, which are reflected in the Accounting Standard 30 – 'Financial instruments Recognition and Measurement'. The impact of such mark to market loss on outstanding contracts as of 31<sup>st</sup> March, 2009 in respect of forward & short term derivative contracts amounts to Rs. 32.70 crores and long term derivative contracts beyond 12 months is Rs. 40.87 crores. As a result of this change in the policy, the impact of mark to market loss in respect of above mentioned outstanding contracts are carried as Hedge Reserve and correspondingly under Current Liabilities to be ultimately set off when the underlying transactions crystallize in the Profit & Loss Account.

8. i) Defined Contribution Plans:

Amount of Rs. 1.27 crores (Previous Year Rs.1.10 crores) is recognised as expense and included in Employee's Expenses in the Profit and Loss Account.

ii) Defined Benefit Plans :

(a) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

Particulars	Gratuity Plan		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Opening Defined Benefit Obligation	2.21	1.98	0.34	0.34
Service Cost	0.45	0.18	0.15	0.08
Interest Cost	0.17	0.17	0.03	0.03
Actuarial Losses / (Gains)	0.32	0.01	(0.03)	(0.02)
Losses / (Gains) on curtailments	0.00	0.00	0.00	0.00
Liabilities extinguished on settlements	0.00	0.00	0.00	0.00
Benefits Paid	(0.23)	(0.13)	(0.06)	(0.09)
Closing Defined Benefit Obligation as at 31 <sup>st</sup> March	2.92	2.21	0.43	0.34

(b) Changes in the fair value of plan assets representing reconciliation of the opening and closing balance thereof are as follows:

Particulars	Gratuity Plan		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Opening fair value of plan assets	2.25	1.71	0.25	0.00
Expected return	0.22	0.18	0.03	0.00
Actuarial Gains / (Losses)	(0.02)	(0.01)	(0.01)	0.00
Assets distributed on settlements	0.00	0.00	0.00	0.00
Contribution by employer	0.46	0.50	0.28	0.34
Benefit paid	(0.23)	(0.13)	(0.06)	(0.09)
Closing balance of fair value of plan assets as at 31 <sup>st</sup> March	2.68	2.25	0.49	0.25

(c) The amounts recognised in Balance Sheet are as follows :

Particulars	Gratuity Plan		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
i) Present Value of Defined Benefit Obligation				
Funded	2.68	2.25	0.49	0.25
Less: Fair Value of Plan Assets	2.68	2.25	0.49	0.25
Unrecognised Past Service Costs	0.00	0.00	0.00	0.00
Present value of unfunded obligations	0.24	(0.04)	(0.06)	0.09
Amount to be recognised as liability /(asset)	0.24	(0.04)	(0.06)	0.09
ii) Amount Reflected in the Balance Sheet				
Liabilities	0.24	0.00	0.00	0.09
Assets	0.00	(0.04)	(0.06)	0.00
<b>Net Liability/(Asset)</b>	<b>0.24</b>	<b>(0.04)</b>	<b>(0.06)</b>	<b>0.09</b>

(d) The amounts recognised in Profit and Loss account are as follows:

Particulars	Gratuity Plan		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
1. Current Service Cost	0.45	0.18	0.15	0.08
2. Interest cost	0.18	0.17	0.03	0.03
3. Expected return on plan assets	(0.22)	(0.18)	(0.03)	0.00
4. Net Actuarial Losses/ (Gains) recognised in year	0.34	0.02	(0.02)	(0.02)
5. Past service cost	0.00	0.00	0.00	0.00
6. Losses / (Gains) on curtailments and settlement	0.00	0.00	0.00	0.00
Total Included in 'Employee's Benefit Expense'	0.75	0.19	0.13	0.09

(e) Actual return on plan assets 0.20      0.02      0.02      0.00



(f) The Major categories of plan asset as a percentage of total plan assets are as follows:

Particulars	Gratuity Plan		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Government of India Securities	0 %	0 %	0 %	0 %
High quality corporate bonds	0 %	0 %	0 %	0 %
Equity shares of listed companies	0 %	0 %	0 %	0 %
Property	0 %	0 %	0 %	0 %
Insurance Company	100%	100%	100%	100%

(g) Principle actuarial assumptions at the Balance Sheet date.(expressed as weighted averages):

Particulars	Gratuity Plan		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Discount rate	7.91%	8.50%	7.91%	8.50%
Expected return on plan assets	9.00%	9.00%	9.00%	9.00%
Proportion of employees opting for early Retirement/Attrition rate	0.00%	0.00%	0.00%	0.00%
Annual increase in salary costs	7.00%	7.00%	7.00%	7.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

(h) Amount pertaining to defined benefits plans are as follows :

Particulars	Gratuity Plan		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Defined Benefit Obligation	2.92	2.21	0.43	0.34
Plan assets	2.68	2.25	0.49	0.25
Surplus / (Deficit)	(0.24)	0.04	0.06	(0.09)
Experience adjustment on plan Liabilities	0.00	0.00	0.00	0.00
Experience adjustment on plan Assets	0.00	0.00	0.00	0.00

Notes:

- The Company provides retirement benefits in the form of Provident Fund, Gratuity and Leave Encashment. Provident fund contributions made to "Government Administrated Provident Fund" are treated as Defined Contribution Plan since the Company has no further obligations beyond its monthly contributions.
- Gratuity and Leave Encashment is treated as Defined Benefit Plan, and is administrated by making contributions to Group Gratuity Scheme of Life Insurance Corporation of India except in respect of gratuity for employees of Uttaranchal unit and leave encashment for workmen, provision for which has been considered on actuarial valuation basis.
- Sick leave is considered as defined benefit plan and remains unfunded and provided on actuarial valuation basis .
- The Company expects to fund approximately Rs. 0.68 crores towards Gratuity plan and Rs. 1.37 crores towards Provident Fund plan during the year 2009-10.

#### 9. Related Party Disclosure:

The disclosure in pursuance to Accounting Standard-18 on "Related Party disclosures " is as under :

(a) Name of Related Parties & Relationship

	Name	Relationship	Manner
1.	Gujarat Ambuja International Pte.Ltd. Singapore	Subsidiary Company	100% Holding of Equity Shares of the subsidiary
2.	Vijaykumar Gupta	Managing Director (Key Managerial Person)	Key Managerial Person & person exercising more than 20% voting power.
3.	Manishkumar Gupta	Managing Director (Key Managerial Person)	Key Managerial Person & Relative as son of Mr Vijaykumar Gupta & person exercising more than 20% voting power.
4.	Sulochana Gupta	Relative	Relative as wife of Mr.Vijaykumar Gupta & mother of Manish Gupta
5.	Shilpa Gupta	Relative	Relative as wife of Mr.Manish Gupta
6.	Mohit Gupta	Relative/ Key Managerial Person	Relative as son of Mr.Vijaykumar Gupta & Mrs. Sulochana Gupta & brother of Mr.Manish Gupta and Key Managerial Person w.e.f 1/08/08
7.	P.G.Makhija	Executive Director (Key Managerial Person)	Key Managerial Person



**b) Transactions during the year & Balances outstanding as at the year end with the Related Parties:**

Transaction	Total	Subsidiary	Key Managerial Person	Relative of Key Managerial Person
(a) Sale of Goods	<b>1.59</b>	<b>1.59</b>	<b>0.00</b>	<b>0.00</b>
P.Y.	(0.00)	(0.00)	(0.00)	(0.00)
(b) Sale of Fixed Assets	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
P.Y.	(0.18)	(0.00)	(0.18)	(0.00)
(c) Managerial Remuneration	<b>4.61</b>	<b>0.00</b>	<b>4.61</b>	<b>0.00</b>
P.Y.	(7.44)	(0.00)	(7.44)	(0.00)
(d) Services : Sitting Fees	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>
P.Y.	(0.01)	(0.00)	(0.00)	(0.01)
(e) Dividend paid	<b>3.51</b>	<b>0.00</b>	<b>3.27</b>	<b>0.24</b>
P.Y.	(6.68)	(0.00)	(5.53)	(1.15)
(f) Advance Received	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
P.Y.	(0.10)	(0.10)	(0.00)	(0.00)
Balance Outstanding as at 31.03.2009				
Amount Payable	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
P.Y.	(0.10)	(0.10)	(0.00)	(0.00)

Note: No amount has been provided as doubtful debts or advances / written off or written back in respect of debts due from / to above parties. Figures in brackets relate to previous year.

10. As per clause 32 of the listing agreement, the disclosure related to Loans to subsidiary is as follows :

	2008-09	2007-08
Subsidiary Company : Gujarat Ambuja International Pte.Ltd	<b>Nil</b>	Nil
Maximum amount due during the year	<b>Nil</b>	Nil

11. **Earnings per Share (EPS):** (On Equity Shares of Rs. 2/- each)

PARTICULARS	2008-09	2007-08
Net Profit as per Profit & Loss Account	<b>23.57</b>	71.25
No.of Weighted Average outstanding Equity Shares	<b>138351875</b>	138815311
Earning per Equity Share of Rs 2/- each(Basic & Diluted)	<b>1.70</b>	5.13

Weighted average outstanding equity shares for the Previous Year have been computed after considering buyback during the Financial Year 2007-08.

12. **Operating Leases:**

- The Company has taken various residential, office and godown premises under operating lease on leave and license agreements. These are generally not non cancelable and range between 11 months and 36 months under leave and license or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits under certain agreements.
- Lease payments are recognized as expense in the Profit & Loss statement on a straight line basis over the lease term under expense head 'Rent' amounting to Rs.0.54 crores (Previous Year Rs. 0.67 crores)
- The future minimum estimated operating lease payments under non-cancelable operating lease:

[Rupees in Crores]

PARTICULARS	2008-09	2007-08
Not later than one year	<b>0.07</b>	0.03
Later than one year but not later than 5 years	<b>0.09</b>	0.00

13. **Particulars of Derivative Instruments :**

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2009:

i) Particulars of derivative instruments acquired for hedging amount as under :

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	NOS.	AMOUNT	NOS.	AMOUNT
1. No of Buy USD (Mn) put	<b>3</b>	<b>30.00</b>	3	39.00
Amount INR Crores		<b>129.55</b>		168.27
<b>OR</b>				
No of Sell USD (Mn) Call	<b>3</b>	<b>60.00</b>	3	79.00
Amount INR Crores		<b>259.10</b>		336.54

ii) All derivative and financial instruments acquired by the Company are for hedging.



- iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2009;  
 USD 18.43 Mn equal to Rs. 89.08 crores (Previous year USD 30.57 Mn equal to Rs. 121.39 crores )  
 Euro Nil (Previous year Euro 1.38 Mn equal to Rs. 8.51 crores)  
 CHF Nil (Previous year CHF 0.21 Mn equal to Rs. 0.80 crores)

**Note:** USD = US Dollar; CHF = Swiss Franc

- b) For hedging Commodity Risks

2008-09

Sr No	Particulars	NYB Cotton	Others
1	Futures	551.125	3316

2007-08

Sr No	Particulars	Light Crude Oil	Soyabean	Soyameal	Soyabean oil
1	Futures	0 Bris	2721.50 MT	4000 MT	2160 MT
2	Options	10000 Bris	0.00 MT	7000 MT	378 MT

14. Details of Investments Purchased and Sold during the year :

[Rupees in Crores]

NAME OF COMPANY	Purchases		Sales	
	NOS	Amount	NOS	Amount
<b>CURRENT INVESTMENTS ( NON TRADE)</b>				
<b>A UNQUOTED MUTUAL FUNDS</b>				
J M FIXED MATURITY FUND- SERIES- XII	5000000	5.00	5000000	5.00
ABN AMRO INTERVAL FUND-QUARTERLY PLAN L	3000000	3.00	3000000	3.00
ICICI PRUDENTIAL FIXED MATUREY PLAN-SERIES 44	3000000	3.00	3000000	3.00
KOTAK QUARTERLY INTERVAL PLAN - SERIES 5	2000000	2.00	2000000	2.00
ICICI PRUDENTIAL INTERNAL FUND II QTY PLAN A	3000000	3.00	3000000	3.00
SBI PREMIER LIQUID FUND	1993521	2.00	1993521	2.00
BIRLA SUN LIFE QTLY INTERVAL FUND-SERIES-7	2000000	2.00	2000000	2.00
SBI DEBT FUND SERIES FMT 90DAYS	5980563	6.00	5980563	6.00
BIRLA SUN LIFE CASH PLUS FUND	3702915	4.00	3702915	4.00
KOTAK QUARTERLY INTERVAL PLAN - SERIES 7	2000000	2.00	2000000	2.00
TATA LIQUID SUPER HIGH INV FUND- DAILY DIV	17945	2.00	17945	2.00
RELIANCE INVESTMENT FUND MONTHLY INTERVAL	999350	1.00	999350	1.00
ABN AMRO OVERNIGHT LIQUID FUND	3000000	3.00	3000000	3.00
KOTAK MONTHLY INTERVAL PLAN SERIES-3	2000000	2.00	2000000	2.00
BIRLA SUN LIFE QUARTERLY FUND-SERIES 9	5000000	5.00	5000000	5.00
J. M. HIGH LIQUIDITY FUND	4837649	5.00	4837649	5.00
RELIANCE MF TREASURY PLAN DAILY DIVIDEND	3924852	6.00	3924852	6.00
TOTAL		56.00		56.00
<b>B QUOTED BONDS (NON TRADE)</b>				
NABARD (BHAVISHYA NIRMAN BOND)	5234	4.42	5234	4.59
PFC BOND	4	0.39	4	0.39
GOVT. OF INDIA BOND 6.13% GOI2028	200000	1.94	200000	1.95
GOVT. OF INDIA BOND 6.13% GOI2028	500000	4.85	500000	4.87
GOVT. OF INDIA BOND 8.33% GOI2036	50000	0.54	50000	0.54
AP POWER GEN. CORP. 2028 8.40%	10	1.07	10	1.08
AP TRANSCO 2028 8.40%	2	0.21	2	0.21
SARDAR SAROVAR NARMADA 8%	5	0.51	5	0.51
SYNDICATE BANK 9.35%	10	1.01	10	1.08
SYNDICATE BANK 8.80% 2021	4	0.39	4	0.40
BANK OF INDIA 9.35%	8	0.88	8	0.89
TATA STEEL 10.20% 2015	10	1.03	10	1.03
TOTAL		17.24		17.53



15. Additional Information pursuant to provisions of paragraph 3,4C & 4D of the part II of schedule VI to the Companies Act, 1956.

**I. CAPACITY WITH REGARD TO CLASS OF GOODS MANUFACTURED / POWER GENERATION UNIT**

(Installed capacity is certified by Management and relied upon by the Auditors)

	PARTICULARS	Unit	2008-09	2007-08
	<b>Agro Processing Division</b>			
A	Solvent Extraction Units Installed Capacity	TPA	990000	990000
B	Vanaspati Units Installed Capacity	TPA	30000	30000
C	Refining of any kind of oil Installed Capacity	TPA	360000	360000
D	Maize based Starch, Seed Crushing Installed Capacity	TPA	355000	355000
E	Wheat Products Installed Capacity	TPA	112500	112500
	<b>Cotton Yarn Division</b>			
F	100% E.O.U. Cotton Spinning Unit - Ring Spun Yarn Installed Capacity	TPD	44	44
	<b>Windmill Division</b>			
G	Power Generation Unit (Wind Mills)	MW	6.95	6.95

Note i) Licensed capacity not indicated due to the abolition of industrial licenses as per notification No.S.O.477CE dated 25th July,1991 & capacity registered with SIA & DGTD not being License is not indicated.

ii) The above capacity is as at the last date of the Accounting year.

**II. (a) QUANTITATIVE INFORMATION :**

ITEM	Unit	Opening Stock		Production Receipt	Purchase		Captive consumption	Sales		Closing Stock	
		QTY.	RS.	QTY.	QTY.	RS.	QTY.	QTY.	RS.	QTY.	RS.
<b>(A) AGRO PROCESSING DIVISION:</b>											
1. Food Products	M.T	22937 (21725)	103.69 (66.06)	148523 (196262)	23462 (12083)	72.65 (62.54)	1143 (706)	179052 (206428)	691.27 (870.97)	14727 (22937)	47.20 (103.69)
2. Chemicals & Allied Products	M.T	3623 (3486)	4.79 (5.20)	103132 (65826)	0 (0)	0.00 (0.00)	55173 (31315)	46397 (34374)	64.65 (45.60)	5185 (3623)	7.05 (4.79)
3. Extractions & Derivatives		23977 (24525)	37.19 (25.22)	341722 (514511)	53008 (18450)	68.16 (28.39)	0 (0)	410915 (533508)	654.79 (740.41)	7792 (23977)	10.91 (37.19)
<b>(B) COTTON YARN DIVISION</b>											
1. Cotton Yarn	M.T	821 (231)	8.19 (2.21)	13500 (15297)	54 (0)	0.56 (0.00)	0 (0)	14162 (14706)	154.13 (146.97)	213 (821)	2.19 (8.19)
2. Others			0.39 (0.13)			0.00 (0.00)			30.87 (17.17)		0.28 (0.39)
<b>(C) WINDMILL DIVISION</b>											
1. Power Generation unit	Unit	0 (0)	0 (0.00)	11235311 (10921436)	0 (0)	0.00 (0.00)	0 (0)	11235311 (10921436)	5.91 (5.52)	0 (0)	0.00 (0.00)
Total			154.25 (98.82)			141.37 (90.93)			1601.62 (1826.64)		67.63 (154.25)

Note : 1. The figures of previous year are shown in brackets. 2. Actual production includes quantities for captive consumption.

3. Agro Processing Division production does not include 8925 MT (Previous year 32165 MT) processed for outsiders.

**II. (b) MATERIALS CONSUMED:**

ITEMS	2008-09		2007-08	
	Qty. (M.T.)	Amount	Qty. (M.T.)	Amount
Agro Products	577444	906.45	783390	1274.43
Cotton & Cotton Yarn	18825	120.21	19848	96.48
Total	596269	1026.66	803238	1370.91

**16. Value of Imported and Indigenous Raw Material, Stores & Spares consumed.**

PARTICULARS	2008-09		2007-08	
	Amount	%	Amount	%
<b>(A) RAW MATERIALS</b>				
Imported	181.02	17.63	253.13	18.46
Indigenous	845.64	82.37	1117.78	81.54
Total	1026.66	100.00	1370.91	100.00
<b>(B) STORES, SPARES &amp; COMPONENTS</b>				
Imported	4.61	26.82	2.79	18.48
Indigenous	12.58	73.18	12.31	81.52
Total	17.19	100.00	15.10	100.00

**17. Value of Imports on CIF basis during the year**

PARTICULARS	2008-09 Amount	2007-08 Amount
Capital Goods	0.00	3.90
Goods	181.02	256.18
Stores & Components	4.61	2.79



**18. Earnings in Foreign currency during the year**

PARTICULARS	2008-09 Amount	2007-08 Amount
FOB Value of Export Sales	618.60	892.19

**19. Expenditure in foreign currency during the year**

PARTICULARS	2008-09 Amount	2007-08 Amount
Consumables	30.27	23.73
Bank Charges, Foreign Travelling etc.	3.09	6.19
Overseas Commission	2.57	1.20
Membership fees, Books & Periodicals	0.03	0.01
Others	0.71	1.00

**20. REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDEND**

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by/ on behalf of non resident shareholders. The particulars of dividends payable to non-resident shareholders which were declared during the year, are as under;

Particulars	2008-09	2007-08	
Number of Non Resident Shareholders	1327	1326	1353
Number of Equity Shares held by them	642031	616104	655093
Gross Amount of Dividend (Rs.)	0.02	0.02	0.02
Dividend relating to the year	2007-08 (Final Dividend)	2007-08 (Interim Dividend)	2006-07 (Final Dividend)

21. Previous year figures have been restated wherever necessary to make them comparable with current year's figures.

**22. Segment Information for the year ended 31st March 2009**

As per Accounting Standard 21, the company has presented Consolidated Financial Statements. Accordingly Segment information as required under Accounting Standard 17 is included under the Notes to Consolidated Financial Statements.

**23. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

**I. REGISTRATION DETAILS**

Regn.No 16151 of 1991-92 State Code: 04 Balance Sheet Date: 31.03.2009

**II. CAPITAL RAISED DURING THE YEAR**

Public Issue Nil Right Issue Nil  
 Bonus Issue Nil Private Placement Nil

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

Total Liabilities 4364892 Total Assets 4364892 (Rs. In '000)

**SOURCES OF FUNDS**

Paid up Capital 276704 Reserves & Surplus 2745753  
 Secured Loans 903227 Unsecured Loans 7727  
 Deferred tax Liability (Net) 431481

**APPLICATION OF FUNDS**

Net Fixed Assets 2487420 Investment 318983  
 Net Current Assets 1558489 Misc. Expenditure Nil  
 Accumulated Losses Nil

**IV. PERFORMANCE OF THE COMPANY**

Turnover & Other Income 16058949 Total Expenditure 15612007  
 Profit/Loss before tax 446942 Profit/Loss after Tax 235776  
 Earning per share in Rs. 1.70 Dividend Rate % 20.00  
 Dividend per Share Rs. 0.40

**V. GENERIC NAMES OF THREE PRINCIPLE PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)**

Item Code No (ITC CODE)	Product Description
150790.10	REFINED SOYABEAN OIL
110812.00	MAIZE STARCH
110100.00	WHEAT FLOUR
520523.10	COTTON YARN

FOR, KANTILAL PATEL & CO.  
 CHARTERED ACCOUNTANTS

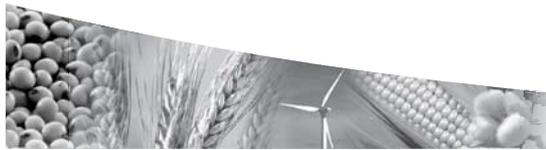
For and on behalf of the Board of Directors

**VIJAYKUMAR GUPTA** (CHAIRMAN & MANAGING DIRECTOR) **MANISH V.GUPTA** (MANAGING DIRECTOR)

**ARPIT K. PATEL**  
 (PARTNER)  
 PLACE : AHMEDABAD  
 Date : JULY 23, 2009

**N. GIRIDHAR**  
 (V. P. FINANCE & ACCOUNTS)  
 PLACE : AHMEDABAD  
 Date : JULY 23, 2009

**PARAS MEHTA**  
 (COMPANY SECRETARY)



**GUJARAT AMBUJA INTERNATIONAL PTE LTD (Incorporated in the Republic of Singapore)**  
**DIRECTORS' REPORT**

The directors submit their report to the member together with the audited financial statements of the Company for the year ended 31 March 2009.

**1 DIRECTOR**

The directors in office at the date of this report are:-

MANISH VIJAY KUMAR GUPTA  
VIJAY KUMAR GUPTA  
GUPTA SHILPA

**2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

Neither during nor at the end of the financial year was the company a party to any arrangement whose object was to enable the directors of the company to acquire benefits through the acquisition of shares in, or debentures of the company or any other body corporate.

**3 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

The following directors, who held office at the end of the financial year, had according to the register of directors' shareholdings required to be kept under section 164 of the Companies Act Cap 50, an interest in the GAEL and related corporations as stated below:

**GUJARAT AMBUJA EXPORTS LTD**

Names of the Director	At the beginning of the year	At the end of the year
MANISH VIJAY KUMAR GUPTA	33,862,865	33,971,493
VIJAY KUMAR GUPTA	38,958,475	39,023,083
GUPTA SHILPA	1,605,000	1,605,000

**4 DIRECTOR'S CONTRACTUAL BENEFITS**

During the year no director has received or become entitled to receive a benefit by reason of a contract made by the company or by a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest other than those disclosed in the financial statements.

**5 SHARE OPTIONS**

No options were granted during the financial year to take up unissued shares of the company. No shares were issued by virtue of the exercise of options. There were no unissued shares under option at the end of the financial year.

**6 INDEPENDENT AUDITOR**

The independent auditor, MGI N Rajan Associates, Certified Public Accountants has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,  
(MANISH VIJAYKUMAR GUPTA) - Director  
(SHILPA GUPTA) - Director

INDIA,  
Date : JULY 06, 2009

**STATEMENT BY DIRECTORS**

We, MANISH VIJAY KUMAR GUPTA and GUPTA SHILPA, being the directors of GUJARAT AMBUJA INTERNATIONAL PTE LTD, do hereby state that, in the opinion of the directors:

- the accompanying balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the company for the year ended 31 MARCH 2009 and of the results and changes in equity and cash flows of the business of the company for the year then ended; and
- at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,  
(MANISH VIJAYKUMAR GUPTA) - Director  
(SHILPA GUPTA) - Director

INDIA,  
Date : JULY 06, 2009

**AUDITORS' REPORT**

To the members of  
Gujarat Ambuja International Pte. Ltd.

- We have performed the procedures as enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of Gujarat Ambuja International Pte. Limited as at 31<sup>st</sup> March, 2009 the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statements in US Dollar (USD) originally audited by the Statutory Auditors of the Company.
- The financial statements in US Dollar ('USD') originally audited by the statutory auditors of the Company are for the year ended 31<sup>st</sup> March, 2009.
- The financial statements in Indian Rupee ('INR') currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirements of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.
  - All income and expenses at the average rate of exchange prevailing during the year.
  - Assets and Liabilities at the closing rate on the Balance Sheet date.
  - Share Capital at historical rate.
  - The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency / Translation Reserve'
- In relation to the financial statements prepared by the management, the following procedures were performed by us :
  - Reviewing the translation of the audited financial statements from USD into INR on the basis stated in the foregoing paragraphs; and
  - Reviewing the reformatting of the audited financial statements as per the requirements of The Companies Act, 1956.
- We report that the financial statements as audited in USD by the statutory auditors have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.
- The above procedure does not constitute an audit and accordingly, we do not express any opinion on the financial statements.
- This report is issued solely for the purpose of consolidation by the holding company, Gujarat Ambuja Exports Limited and to comply with the provisions of the Companies Act, 1956.

For KANTILAL PATEL & CO.,  
CHARTERED ACCOUNTANTS  
ARPIT K. PATEL

Place : Ahmedabad  
Date : JULY 23, 2009

(Partner)  
Membership No. 34032

**GUJARAT AMBUJA INTERNATIONAL PTE LTD**  
(Incorporated in the Republic of Singapore)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	YR. ENDED 31.03.2009		YR. ENDED 31.03.2008	
	USD	RS.	USD	RS.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:-</b>				
NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR	191569	8880986	47285	1891484
Depreciation	378	17524	668	26721
Interest Paid	15550	720886	15270	610825
Interest Received	(4291)	(198927)	(6861)	(274452)
	11637	539483	9077	363094
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES, ADJUSTMENTS FOR	203206	9420469	56362	2254578
Trade and other Receivables	30929	1145541	84659	3770815
Trade Payables	3326	209603	(115078)	(4971803)
	34255	1355144	(30419)	(1200988)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>237461</b>	<b>10775613</b>	<b>25943</b>	<b>1053590</b>
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>				
<b>EXTRAORDINARY ITEMS :</b>				
Tax Paid/(Received)	0	0	2100	84042
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>237461</b>	<b>10775613</b>	<b>28043</b>	<b>1137632</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(255)	(12913)	(657)	(26293)
Interest Received	4291	198927	6861	274452
<b>NET CASH GENERATED IN INVESTING ACTIVITIES</b>	<b>4036</b>	<b>186014</b>	<b>6204</b>	<b>248159</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	(15550)	(720886)	(15270)	(610825)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(15550)</b>	<b>(720886)</b>	<b>(15270)</b>	<b>(610825)</b>
<b>D. OTHERS</b>				
Adjustments - Reserves	0	3200375	0	(536827)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>225947</b>	<b>13441116</b>	<b>18977</b>	<b>238139</b>
Cash & Cash Equivalents as at (Opening Balance) 1st April	188237	7533245	169260	7295106
Cash & Cash Equivalents as at (Closing Balance) 31st March	414184	20974361	188237	7533245
	225947	13441116	18977	238139
<b>1 Cash and cash equivalents include :</b>	<b>As at 31.03.2009</b>		<b>As at 31.03.2008</b>	
	USD	RS.	USD	RS.
Cash in hand(including cheques on hand)	73	3697	13	520
With Scheduled Banks on :				
Current Accounts	301390	15262450	79793	3193316
Short term Deposits (under lien with Bank)	112721	5708214	108431	4339409
	414184	20974361	188237	7533245

- The above cash Flow statement has been prepared under the "Indirect Method" set out in Accounting standard (AS-3) on Cash Flow statement issued by the Institute of Chartered Accountants of India
- Corresponding figures of the previous year have been regrouped wherever necessary to confirm to current year's figures.

For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS

ARPIT K. PATEL  
(PARTNER)

Place : Ahmedabad  
Date : JULY 23, 2009

For and on behalf of Board of Directors  
VIJAYKUMAR GUPTA  
(DIRECTOR)

MANISH GUPTA  
(DIRECTOR)

Place : Ahmedabad  
Date : JULY 23, 2009



## Gujarat Ambuja International Pte. Ltd. (Incorporated in the Republic of Singapore)

### BALANCE SHEET AS AT 31st MARCH 2009

PARTICULARS	SCHE- DULE	AS AT 31.03.2009		AS AT 31.03.2008	
		USD	RS.	USD	RS.
<b>(A) SOURCES OF FUNDS</b>					
<b>1 SHARE HOLDERS' FUND</b>					
Share Capital	A	528695	19911340	528695	19911340
Reserves & Surplus	B	205164	17251428	29601	2431666
		<u>733859</u>	<u>37162768</u>	<u>558296</u>	<u>22343006</u>
<b>2 LOAN FUNDS</b>					
Secured Loans		0	0	0	0
Unsecured Loans		0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>3 DEFERRED TAX LIABILITY</b>					
Deferred tax Liability		0	0	0	0
Deferred tax Assets		(-0)	(-0)	(-0)	(-0)
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL-</b>		<u>733859</u>	<u>37162768</u>	<u>558296</u>	<u>22343006</u>
<b>(B) APPLICATION OF FUNDS</b>					
<b>1 FIXED ASSETS</b>					
Gross Block	C	17870	904940	17615	704952
Less : Depreciation		17479	885140	17101	684382
		<u>391</u>	<u>19800</u>	<u>514</u>	<u>20570</u>
Net Block		391	19800	514	20570
Add : Capital work in Progress		0	0	0	0
		<u>391</u>	<u>19800</u>	<u>514</u>	<u>20570</u>
<b>2 INVESTMENTS</b>					
	D	337627	17097499	337627	13511833
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	E	0	0	0	0
Sundry Debtors		443	22434	419	16768
Cash & Bank Balances		414184	20974361	188237	7533245
Loans & Advances		8242	417377	39195	1568584
		<u>422869</u>	<u>21414172</u>	<u>227851</u>	<u>9118597</u>
Sub Total - (i)		422869	21414172	227851	9118597
Less : Current Liabilities	F	7203	364761	3877	155158
Provisions	G	19825	1003942	3819	152836
		<u>27028</u>	<u>1368703</u>	<u>7696</u>	<u>307994</u>
Sub Total - (ii)		27028	1368703	7696	307994
Net Current Assets (i-ii)		395841	20045469	220155	8810603
<b>TOTAL-</b>		<u>733859</u>	<u>37162768</u>	<u>558296</u>	<u>22343006</u>
Significant Accounting Policies & Notes forming part of Accounts	N				

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

PARTICULARS	SCHE- DULE	YR. ENDED 31.03.2009		YR. ENDED 31.03.2008	
		USD	RS.	USD	RS.
<b>(A) INCOME</b>					
Sales	H	4482459	207803213	3992959	159725148
Less : Excise Duty		0	0	0	0
		<u>4482459</u>	<u>207803213</u>	<u>3992959</u>	<u>159725148</u>
Net Sales		4482459	207803213	3992959	159725148
Other Income	I	0	0	4500	180008
		<u>4482459</u>	<u>207803213</u>	<u>3997459</u>	<u>159905156</u>
<b>TOTAL - "A"</b>		<u>4482459</u>	<u>207803213</u>	<u>3997459</u>	<u>159905156</u>
<b>(B) EXPENDITURE</b>					
Cost of Goods Sold	J	4134501	191672159	3812826	152519522
Employees' Cost	K	92663	4295782	93648	3746079
Administrative Expenses	L	52089	2414804	34623	1384977
Finance & Other Charges	M	11259	521958	8409	336373
Depreciation		378	17524	668	26721
		<u>4290890</u>	<u>198922227</u>	<u>3950174</u>	<u>158013672</u>
<b>TOTAL - "B"</b>		<u>4290890</u>	<u>198922227</u>	<u>3950174</u>	<u>158013672</u>
<b>Profit before Tax (A-B)</b>		<u>191569</u>	<u>8880986</u>	<u>47285</u>	<u>1891484</u>
Provision for Taxation					
- Current tax		16006	742025	3819	152766
- Short /(excess) Provision of Income Tax		0	0	(2442)	(97684)
- Deferred tax		0	0	0	0
		<u>175563</u>	<u>8138961</u>	<u>45908</u>	<u>1836402</u>
<b>Profit after Tax</b>		<u>175563</u>	<u>8138961</u>	<u>45908</u>	<u>1836402</u>
Add: Balance of Profit/(Loss) from Previous Year		29601	1147079	(16307)	(689319)
		<u>205164</u>	<u>9286040</u>	<u>29601</u>	<u>1147083</u>
<b>Profit/(Loss) available for appropriation</b>		<u>205164</u>	<u>9286040</u>	<u>29601</u>	<u>1147083</u>
<b>APPROPRIATION</b>					
Balance carried to Balance Sheet		205164	9286040	29601	1147083
<b>TOTAL</b>		<u>205164</u>	<u>9286040</u>	<u>29601</u>	<u>1147083</u>
Earning per Ordinary Share of S\$ 1/- each (Basic & Diluted) (in Rs.)			9.53		2.15
Significant Accounting Policies & Notes forming part of Accounts	N				

As per our report of even date  
For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors  
VIJAYKUMAR GUPTA  
(DIRECTOR)

As per our report of even date  
For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors  
VIJAYKUMAR GUPTA  
(DIRECTOR)

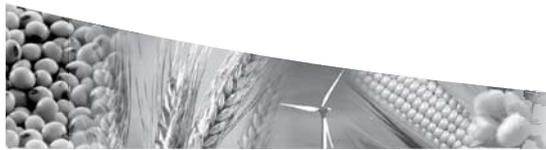
ARPIT K. PATEL  
(PARTNER)

MANISH GUPTA  
(DIRECTOR)

ARPIT K. PATEL  
(PARTNER)

MANISH GUPTA  
(DIRECTOR)

Place: Ahmedabad  
Date: JULY 23, 2009



**Gujarat Ambuja International Pte. Ltd. (Incorporated in the Republic of Singapore)**  
**Schedules to the Balance Sheet as at 31st March, 2009**

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	USD	RS.	USD	RS.
<b>SCHEDULE "A" SHARE CAPITAL</b>				
Authorised 1000000 (P.Y.1000000) Ordinary shares of S \$ 1/- each converted in Indian Rupee at the Balance Sheet Date	1000000	23309600	1000000	23309600
	<u>1000000</u>	<u>23309600</u>	<u>1000000</u>	<u>23309600</u>
Issued,Subscribed and Paid Up Capital 854212 (P.Y.854212) Ordinary Shares of S \$ 1/- each fully paid converted in Indian Rupees	528695	19911340	528695	19911340
	<u>528695</u>	<u>19911340</u>	<u>528695</u>	<u>19911340</u>

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	USD	RS.	USD	RS.
<b>SCHEDULE "B" RESERVE &amp; SURPLUS</b>				
Translation Reserve As per last account	0	1247034	0	2875415
Add : Additions / Adjustments during the year	0	5614847	0	(-)1628381
	0	6861881	0	1247034
Exchange Reserve As per last account	0	37549	0	(-)13512
Add : Additions / Adjustments during the year	0	1065958	0	51061
	0	1103507	0	37549
Profit and Loss Account	205164	9286040	29601	1147083
	<u>205164</u>	<u>17251428</u>	<u>29601</u>	<u>2431666</u>

**SCHEDULE "C" FIXED ASSETS (AT COST)**

Sr. No.	Particulars	Gross Block					Depreciation				Net Block		
		As At 01.04.08	Additions during the year	Deductions during the year	Exchange Impact on Translation	Total As At 31.03.09	As At 01.04.08	For the year	Deductions during the year	Exchange Impact on Translation	Total As At 31.03.09	As At 31.03.09	As At 31.03.08
1	Furniture & Fixtures	411566	0	0	(-)109218	520784	394037	10106	0	(-)105500	509643	11141	17529
2	Office Equipments	293386	12913	0	(-)77857	384156	290345	7418	0	(-)77734	375497	8659	3041
	<b>TOTAL :</b>	<b>704952</b>	<b>12913</b>	<b>0</b>	<b>(-)187075</b>	<b>904940</b>	<b>684382</b>	<b>17524</b>	<b>0</b>	<b>(-)183234</b>	<b>885140</b>	<b>19800</b>	<b>20570</b>
	Previous year	730890	26293	0	52231	704952	708262	26721	0	50601	684382	20570	22628

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	USD	RS.	USD	RS.
<b>SCHEDULE "D" INVESTMENTS</b>				
UNQUOTED LONG TERM INVESTMENTS (AT COST) TRADE 300000 (P.Y.300000) Equity Shares of INR Rs.10/- of Jupiter Corporate Services Ltd.	337627	17097499	337627	13511833
	<u>337627</u>	<u>17097499</u>	<u>337627</u>	<u>13511833</u>
<b>SCHEDULE "E" CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>(A) Current Assets</b>				
<b>1 Inventories</b> (As taken,Valued & Certified by the management)				
Finished Goods	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>2 Sundry Debtors ( Unsecured,Considered Good )</b>				
Outstanding for a period exceeding six months	0	0	0	0
Others	443	22434	419	16768
	<u>443</u>	<u>22434</u>	<u>419</u>	<u>16768</u>

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	USD	RS.	USD	RS.
<b>SCHEDULE "E" CURRENT ASSETS, LOANS AND ADVANCES (Contd.)</b>				
<b>3 Cash &amp; Bank Balances</b>				
Cash on Hand	73	3697	13	520
Balance with Banks	301390	15262450	79793	3193316
(a) on Current account	112721	5708214	108431	4339409
(b) on Fixed Deposit account	414184	20974361	188237	7533245
<b>4 Loans &amp; Advance (Unsecured,Considered Good)</b>				
Advances recoverable from Holding Company	0	0	25000	1000500
Advances recoverable in cash or in kind or for value to be received	8242	417377	14195	568084
	<u>8242</u>	<u>417377</u>	<u>39195</u>	<u>1568584</u>
<b>SCHEDULE "F" CURRENT LIABILITIES</b>				
Creditors for Goods & Expenses & other Liabilities	7203	364761	3877	155158
	<u>7203</u>	<u>364761</u>	<u>3877</u>	<u>155158</u>
<b>SCHEDULE "G" PROVISIONS FOR TAXATION</b>				
Current Tax	19825	1003942	3819	152836
	<u>19825</u>	<u>1003942</u>	<u>3819</u>	<u>152836</u>

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	YR. ENDED 31.03.2009		YR. ENDED 31.03.2008	
	USD	RS.	USD	RS.
<b>SCHEDULE "H" SALES</b>				
Sales	4482459	207803213	3992959	159725148
	<u>4482459</u>	<u>207803213</u>	<u>3992959</u>	<u>159725148</u>
<b>SCHEDULE "I" OTHER INCOME</b>				
Miscellaneous Income	0	0	4500	180008
	<u>0</u>	<u>0</u>	<u>4500</u>	<u>180008</u>
<b>SCHEDULE "J" COST OF GOODS SOLD</b>				
Opening Stock				
Finished Goods	0	0	0	0
Add : Materials Purchased / acquired	4134501	191672159	3812826	152519522
	<u>4134501</u>	<u>191672159</u>	<u>3812826</u>	<u>152519522</u>
Less : Closing Stock				
Finished Goods	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Cost of Goods Sold</b>	<b>4134501</b>	<b>191672159</b>	<b>3812826</b>	<b>152519522</b>
<b>SCHEDULE "K" EMPLOYEES COST</b>				
Salary,Wages & Bonus	88413	4098756	89699	3588112
Contribution to Provident Fund & Other Funds	4227	195960	3913	156527
Employees Welfare	23	1066	36	1440
	<u>92663</u>	<u>4295782</u>	<u>93648</u>	<u>3746079</u>

PARTICULARS	YR. ENDED 31.03.2009		YR. ENDED 31.03.2008	
	USD	RS.	USD	RS.
<b>SCHEDULE "L" ADMINISTRATIVE EXPENSES</b>				
Conveyance & Travelling Expenses	1292	59896	195	7800
Electricity Expenses	302	14000	257	10280
Insurance Expenses	120	5563	121	4840
Printing,Stationery,Postage & Telephone	3553	164714	3753	150126
Legal & Professional Expenses	823	38154	1458	58322
Rent	20802	964364	18869	754792
Foreign Exchange Fluctuation	98	4543	195	7800
Payment to Auditors :				
For Audit Fees	1984	91977	2201	88044
General Administrative Charges	23115	1071593	7574	302973
	<u>52089</u>	<u>2414804</u>	<u>34623</u>	<u>1384977</u>
<b>SCHEDULE "M" FINANCE &amp; OTHER CHARGES</b>				
Interest on Working Capital Loans	2398	111169	2640	105604
Bank and Other Financial Charges	13152	609716	12630	505221
	<u>15550</u>	<u>720885</u>	<u>15270</u>	<u>610825</u>
<b>LESS : INCOME</b>				
Interest on Bank Deposits	4291	198927	6861	274452
	<u>4291</u>	<u>198927</u>	<u>6861</u>	<u>274452</u>
<b>Net Finance &amp; Other Charges</b>	<b>11259</b>	<b>521958</b>	<b>8409</b>	<b>336373</b>



Gujarat Ambuja International Pte. Ltd. (Incorporated in the Republic of Singapore)

SCHEDULE : N

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART IF ACCOUNTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1) GENERAL INFORMATION

The financial statements of the company for the year ended 31 MARCH 2009 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.  
The Financial Statements of Gujarat Ambuja International Pte Ltd, for the accounting year 31<sup>st</sup> March 2009, being a company registered in the Republic of Singapore, are audited by MGI N RAJAN ASSOCIATES, Certified Public Accountants, Singapore.  
The Financial Statements of Gujarat Ambuja International Pte Ltd. are duly converted in Indian Rupees, on the basis of aforesaid audited financial statements to comply with the requirements of Section 212 of the Companies Act, 1956.  
The accounts have been prepared for the purpose of attachment to the accounts of the holding Company to comply with the Provisions of the Indian Companies Act, 1956  
The principal activities of the company are to carry on the business of importers & exporters, Purchasing agents and representative for all general merchandise.  
The company's registered office & principal place of business address is at 101 Cecil Street, # 11-11, Tong Eng Building, Singapore 069533.  
The Company had employed "1" (2008:1) employee as at 31 MARCH 2009.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

(i) The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.  
The preparation of the financial statements in conformity with FRS requires using of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current event and actions, actual results may ultimately differ from those estimates.

(ii) CONVERSION TO INDIAN RUPEES

For the purpose of accounts, operations being non integral, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and Liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to "Exchange Reserve".  
The share capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation of share capital at year end rate is transferred to "Translation Reserve" account and the said account is being treated as "Reserve and Surplus"

- (a) Disclosure as per schedule VI of the Companies Act, 1956  
The Balance Sheet and Profit and Loss account have been disclosed as per requirements of part I and Part II to Schedule VI of the Companies Act, 1956.
- (b) The other disclosures made in this financial statements are as made in the audited financial statement as audited by the Auditors of the company as per the requirements of the Singapore Companies Act, Cap.50 and Singapore Financial Reporting Standards.

(iii) New Accounting Standards and FRS Interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2009. The Company's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Company is set out below:  
The Company has adopted FRS 107 Financial Instruments: Disclosures and Amendments to FRS 1 presentation of Financial Statements-Capital Disclosures on 1 January 2009. FRS 107 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including minimum disclosures about credit risk, liquidity risk and market risk (including sensitivity analysis to market risk). It replaces the disclosure requirements in FRS 32: Financial Instruments: Disclosure and Presentation. The amendment to FRS 1 introduces disclosures about the level of an entity's capital and how it manages capital.  
The Company has assessed the impact of FRS 107 and the amendments to FRS 1 and concluded that the main additional disclosures will be the credit risks disclosures required by FRS 107, as well as the capital disclosures required by the amendment to FRS 1.

(iv) New Accounting Standards and FRS Interpretations not yet Adopted

The Company has not applied the following accounting standards which are relevant (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

Reference	Description	Effective for annual periods beginning on or after
FRS 1	- Presentation of Financial Statements - Revised presentation	1 January 2009
FRS 23	Borrowing costs	1 January 2009

b) Property, plant & equipment & depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.  
Depreciation is calculated on the straight-line basis to write off the cost of these assets over their estimated useful lives as follows:-  
Furniture and Fittings 33 1/3 %  
Office Equipment 33 1/3 %  
Full depreciation is provided in the year of the purchase and no depreciation is provided in the year of disposal.

c) Revenue recognition

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold.  
Revenue from interest on fixed deposit is recognised on accrual basis.

d) Income taxes

The liability method of tax effect accounting is adopted by the company. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax.  
Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.  
Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).  
Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset relating to the deductible temporary differences arises from goodwill or the initial recognition of an asset or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.)  
The statutory tax rates enacted the balance sheet date are used to determine deferred income tax.

e) Impairment of assets

The carrying amounts of the assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.  
An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit recoverable amount. All impairment losses are recognised in the profit and loss account. Recoverable amount is defined as the higher of value in use and net selling price. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

f) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.  
Transactions and balances  
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except for currency translation differences on net investment in foreign entities and borrowings and other currency instruments qualifying as net investment hedges for foreign operations in the consolidated financial statements.  
Currency translation differences on monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items such as equity investments classified as available-for-sale financial assets, are included in the fair value reserve within equity.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash balance and bank deposits.

h) Employment leave entitlement

Employment entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

i) Receivables

Receivables are recognised and carried at cost, which is the original invoiced amount less provision for doubtful debts. The carrying value approximates the fair value of receivables. All known bad debts are written off and specific provision is made for those debts, which are considered to be doubtful.

j) Payables

Payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

k) Employee benefits

Pension obligations

The company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

l) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

m) Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, investments, trade receivables and payables, other payables and receivables, finance leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.  
Disclosures on financial risk management are provided in Note 7.

n) Share capital

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

3. TAXATION

	2009 US\$	2009 Rs.	2008 US\$	2008 Rs.
Balance brought forward	3819	152836	342	14740
Overprovision for income tax	0	0	(342)	(14740)
Current year provision	16006	851106	3819	152836
Total	19825	1003942	3819	152836



#### Gujarat Ambuja International Pte. Ltd. (Incorporated in the Republic of Singapore)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's profits as a result of the following:

	2009 US\$	2009 Rs.	2008US\$	2008 Rs.
Profit before taxation	191569	880986	47285	1891480
Tax at statutory rate of 17% (2008 : 18%)	32566	1509768	8529	340467
Others	0	0	(241)	(9645)
Singapore statutory stepped income exemption	(16560)	(767743)	(4469)	(178056)
Net income tax expenses/(benefit)	16006	742025	3819	152766

#### 4. DEFERRED TAXATION

There are no elements of Deferred Tax Liability or Assets.

#### 5. DUE TO A DIRECTOR

The non-trade amount due to a director is interest free, unsecured and without fixed repayment terms.

#### 6. FIXED DEPOSIT

These are under lien to the bank for credit facilities availed. The effective interest rate is charged at 3.13%. The maturity date is September, 2009

#### 7. FINANCIAL RISK MANAGEMENT

The company does not have any written financial risk management policies and guidelines. The company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange. The company's exposure to financial risks associated with financial instruments held in the ordinary course of business include:

#### a) Price risk

##### i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company operates and sells its products/ services in several countries other than Singapore and transacted in foreign currencies including United States Dollars and Euro Dollars. As a result, the company is exposed to movements in foreign currencies exchange rates.

However, the company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

##### (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The company has no interest-bearing financial instruments, hence, is not exposed to any movements in market interest rates.

##### (iii) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The company does not hold any quoted or marketable financial instrument, hence, is not exposed to any movements in market prices.

#### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The company has no significant concentrations of credit risk.

Cash is held with financial institutions of good standing/ established financial institutions/ reputable financial institutions.

#### (c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The company maintains sufficient level of cash and cash equivalents and has available adequate amount to meet its working capital requirements

#### (d) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount.

The company is not exposed to any cash flows risk as it does not have any monetary financial instruments with variable interest rates.

#### 8. FINANCIAL INSTRUMENTS

##### Fair value

The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate to their fair value. Information on the fair values of borrowing, interest rate and foreign currency exchange is included in Note 7.

#### 9. RELATED PARTY DISCLOSURES

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the company with related parties at negotiated rates.

During the year the company has entered into transaction with a related party as shown below:-

	2009 US\$	2009 Rs.	2008US\$	2008 Rs.
Purchases from holding company	336000	15576691	0	0
Amount Receivable	0	0	25000	1000500

#### 10. LEASE COMMITMENTS

At the balance sheet date, the company has lease commitments for renting of premises as follows:-

	2009 US\$	2009 Rs.	2008US\$	2008 Rs.
Payable within 1 year	19591	908223	21648	866353
Payable after 1 year	22555	1045632	3609	144432

For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS

ARPIT K. PATEL  
(PARTNER)

Place : Ahmedabad  
Date : JULY 23, 2009

For and on behalf of Board of Directors  
VIJAYKUMAR GUPTA  
(DIRECTOR)

MANISH GUPTA  
(DIRECTOR)

Place : Ahmedabad  
Date : JULY 23, 2009

For KANTILAL PATEL & CO.,  
CHARTERED ACCOUNTANTS

Arpit K. Patel  
(Partner)

Membership No.: 34032

#### Consolidated Financial Statements

Gujarat Ambuja Exports Ltd. : Holding Company  
Gujarat Ambuja International Pte. Ltd. : Subsidiary Company

#### AUDITORS' REPORT

The Board of Directors of Gujarat Ambuja Exports Ltd.:

On the Consolidated financial statements of Gujarat Ambuja Exports Ltd. and its subsidiary.

- We have audited the attached Consolidated Balance Sheet of Gujarat Ambuja Exports Ltd. (the Company) and its subsidiary as at 31<sup>st</sup> March 2009, the Consolidated Profit & Loss and the consolidated Cash Flow statement for the year ended on that date. These consolidated financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statement are prepared, in all material respects in accordance with an identified financial reporting frameworks and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.
- We did not audit financial statements of a subsidiary, Gujarat Ambuja International Pte. Ltd., Singapore, whose financial statements reflect total assets (net) of Rs.3.72 crores as at 31<sup>st</sup> March,2009 and total revenues of Rs.20.78 crores for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information of the subsidiary have been audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of subsidiary, is based solely on the report of the other auditors.
- We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.
- On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its aforesaid subsidiary, we are of the opinion that the said consolidated financial statements together with notes thereon, give true and fair view in conformity with the accounting principles generally accepted in India :
  - In the case of Consolidated Balance Sheet, of the state of affairs of the company and its subsidiary as at 31<sup>st</sup>, March, 2009;
  - In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the company and its subsidiary for the year ended on that date;

And

  - In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiary for the year ended on that date.

Place : Ahmedabad  
Date : July 23, 2009



**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009**

[ Rupees in Crores ]

PARTICULARS	SCHEDULE	AS AT 31.03.2009	AS AT 31.03.2008
<b>(A) SOURCES OF FUNDS</b>			
<b>1 SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	A	27.67	27.67
(b) Reserves & Surplus	B	276.30	330.91
		<b>303.97</b>	<b>358.58</b>
<b>2 LOAN FUNDS</b>			
(a) Secured Loans	C	90.32	513.95
(b) Unsecured Loans	D	0.77	1.15
		<b>91.09</b>	<b>515.10</b>
<b>3 DEFERRED TAX LIABILITY (NET)</b>			
(a) Deferred tax Liability	E	43.50	48.91
(b) Deferred tax Asset		(0.35)	(0.34)
		<b>43.15</b>	<b>48.57</b>
<b>TOTAL-</b>		<b>438.21</b>	<b>922.25</b>
<b>(B) APPLICATION OF FUNDS</b>			
<b>1 FIXED ASSETS</b>			
Gross Block	F	467.53	450.08
Less : Depreciation		224.11	188.26
Net Block		243.42	261.82
Add : Capital work in Progress and Advance for Capital Expenditure		5.33	5.48
Add : Goodwill on Consolidation		0.07	0.07
		<b>248.82</b>	<b>267.37</b>
<b>2 INVESTMENTS</b>			
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(a) Inventories	H	199.38	461.28
(b) Sundry Debtors		62.91	91.85
(c) Cash & Bank Balances		26.62	142.23
(d) Other Current Assets		5.71	10.00
(e) Loans & Advances		61.77	55.45
<b>Sub Total - ( i )</b>		<b>356.39</b>	<b>760.81</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
(a) Current Liabilities	I	187.92	105.10
(b) Provisions	J	10.62	26.69
<b>Sub Total - ( ii )</b>		<b>198.54</b>	<b>131.79</b>
<b>Net Current Assets ( i - ii )</b>		<b>157.85</b>	<b>629.02</b>
<b>TOTAL-</b>		<b>438.21</b>	<b>922.25</b>
<b>Significant Accounting Policies</b>	T		
<b>Notes to Financial Statements</b>	U		

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

**FOR, KANTILAL PATEL & CO.**  
CHARTERED ACCOUNTANTS

**VIJAYKUMAR GUPTA**  
(CHAIRMAN & MANAGING DIRECTOR)

**MANISH V.GUPTA**  
(MANAGING DIRECTOR)

**ARPIT K. PATEL**  
(PARTNER)  
PLACE : AHMEDABAD  
Date : JULY 23, 2009

**N. GIRIDHAR**  
(V. P. FINANCE & ACCOUNTS)  
PLACE : AHMEDABAD  
Date : JULY 23, 2009

**PARAS MEHTA**  
(COMPANY SECRETARY)



**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009**

[ Rupees in Crores ]

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
<b>(A) INCOME</b>			
Sales	K	1630.00	1855.29
Less : Excise Duty		9.29	12.68
Net Sales		<u>1620.71</u>	<u>1842.61</u>
Other Income	L	4.27	2.28
<b>TOTAL - "A"</b>		<u>1624.98</u>	<u>1844.89</u>
<b>(B) EXPENDITURE</b>			
(Increase) / Decrease in Stock	M	86.30	(55.52)
Material Consumption	N	1052.14	1386.86
Purchase of Trading Goods		158.98	106.19
Manufacturing Expenses	O	124.77	106.45
Employees' Cost	P	32.50	30.06
Administrative Expenses	Q	10.77	19.33
Sales Expenses	R	66.66	94.64
Finance & Other Charges	S	11.05	15.26
Exceptional items (Loss on Disposal of Assets)		0.00	0.46
Depreciation		36.36	31.46
<b>TOTAL - "B"</b>		<u>1579.53</u>	<u>1735.19</u>
<b>Profit before Tax (A-B)</b>		<u>45.45</u>	<u>109.70</u>
<b>Add : Prior Period items ( Net)</b>		0.10	0.00
Less : Provision for Taxation			
- Current tax		18.88	39.16
- Deferred tax		(5.43)	(1.05)
- Fringe Benefit Tax		0.24	0.16
- Short /(Excess) Provision of Earlier Years		7.61	(0.01)
<b>Profit after Tax</b>		<u>24.25</u>	<u>71.44</u>
Add : Balance of Profit from Previous Year		175.51	124.70
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>199.76</u>	<u>196.14</u>
<b>APPROPRIATION</b>			
Transferred to General Reserve		1.80	7.50
Transferred to Capital Redemption Reserve		0.00	0.19
Interim Dividend		5.53	5.53
Dividend Distribution Tax on Interim Dividend		0.94	0.94
Proposed Final Dividend		0.00	5.53
Provision for Dividend Distribution Tax.		0.00	0.94
Balance carried to Balance Sheet		191.49	175.51
<b>TOTAL</b>		<u>199.76</u>	<u>196.14</u>
<b>Significant Accounting Policies</b>	T		
<b>Notes to Financial Statements</b>	U		
Earnings per Equity Share of Rs.2/- each (Basic & Diluted) (Refer note 8 of Schedule "U")		1.75	5.15

This is the Profit & Loss Account referred to in our report of even date

**For and on behalf of the Board of Directors**

**FOR, KANTILAL PATEL & CO.**  
CHARTERED ACCOUNTANTS

**VIJAYKUMAR GUPTA**  
(CHAIRMAN & MANAGING DIRECTOR)

**MANISH V.GUPTA**  
(MANAGING DIRECTOR)

**ARPIT K. PATEL**  
(PARTNER)

**N. GIRIDHAR**  
(V. P. FINANCE & ACCOUNTS)

**PARAS MEHTA**  
(COMPANY SECRETARY)

PLACE : AHMEDABAD  
Date : JULY 23, 2009

PLACE : AHMEDABAD  
Date : JULY 23, 2009



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009** [ Rupees in Crores ]

PARTICULARS	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS</b>	<b>45.45</b>	109.70
<b>ADJUSTMENTS FOR</b>		
Depreciation	36.36	31.46
Loss on Exceptional Item	0.00	0.46
Income From Dividend	(1.01)	(0.07)
(Profit)/Loss on Sale of Asset	(0.05)	(0.54)
Profit on Sale of Investments (Net)	(0.26)	(1.24)
Finance and other charges	17.17	25.68
Interest income	(6.14)	(10.42)
	<b>46.07</b>	45.33
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>91.52</b>	155.03
<b>ADJUSTMENTS FOR</b>		
Trade and other Receivables	21.77	(72.51)
Inventories	261.90	(244.21)
Trade Payables and Liabilities	11.57	69.12
Transitional Liability for Gratuity and Leave Encashment	0.00	(0.15)
	<b>295.24</b>	(247.75)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>386.76</b>	(92.72)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>		
<b>EXTRAORDINARY ITEMS :</b>		
Direct taxes (paid/adjusted)	(42.09)	(22.80)
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>344.67</b>	(115.52)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(20.36)	(42.43)
Sale of Fixed Assets	0.83	4.79
Purchase of Investments	(86.44)	(19.75)
Sale of Investments	81.85	3.60
Interest Received	10.55	4.06
Dividend Received	1.01	0.07
	<b>(12.56)</b>	(49.66)
<b>NET CASH GENERATED IN INVESTING ACTIVITIES [B]</b>	<b>(12.56)</b>	(49.66)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of shares	0.00	(3.31)
Proceeds from Borrowings	0.00	336.52
Repayment of Borrowings	(423.63)	(5.56)
Proceeds from Unsecured Loans	0.00	0.35
Repayment of Unsecured Loans	(0.37)	0.00
Finance and other charges	(18.65)	(23.88)
Dividend and tax thereon paid	(5.52)	(12.42)
	<b>(448.17)</b>	291.70
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>	<b>(448.17)</b>	291.70
<b>D. OTHERS</b>		
Consolidation Adjustments	0.45	(0.05)
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS [A+B+C-D]</b>	<b>(115.61)</b>	126.47
<b>Cash and Cash Equivalents at beginning of period</b>	<b>142.23</b>	15.76
<b>Cash and Cash Equivalents at end of Period</b>	<b>26.62</b>	142.23
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(115.61)</b>	126.47
Major components of Cash and Cash Equivalents as at	31.03.2009	31.03.2008
Cash on hand(including cheques on hand)	0.48	0.69
With Scheduled Banks on :		
Current Accounts	5.71	3.07
Short term Deposits - in Lien	13.40	133.84
- in Lien free	7.03	4.63
Total {Refer Schedule H (c)}	<b>26.62</b>	142.23

Notes :

- The above Cash Flow has been prepared under Indirect Method set out in AS 3, issued by The Institute of Chartered Accountants of India.
- Previous year figures have been restated wherever necessary to make them comparable with current year figures.

This is the Cashflow Statement referred to in our report of even date

**FOR, KANTILAL PATEL & CO.**  
CHARTERED ACCOUNTANTS

**ARPIT K. PATEL**  
(PARTNER)

PLACE : AHMEDABAD  
Date : JULY 23, 2009

For and on behalf of the Board of Directors

**VIJAYKUMAR GUPTA**  
(CHAIRMAN & MANAGING DIRECTOR)

**N. GIRIDHAR**  
(V. P. FINANCE & ACCOUNTS)

PLACE : AHMEDABAD  
Date : JULY 23, 2009

**MANISH V.GUPTA**  
(MANAGING DIRECTOR)

**PARAS MEHTA**  
(COMPANY SECRETARY)


**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2009**

[Rupees in Crores]

	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE "A" SHARE CAPITAL</b>		
<b>Authorised</b>		
<b>250000000</b> (P.Y.250000000) Equity shares of Rs.2/- each	<u>50.00</u>	50.00
	<u>50.00</u>	50.00
<b>Issued,Subscribed and Paid Up Capital</b>		
<b>138351875</b> (P.Y.138351875) Equity Share of Rs.2/- each	<u>27.67</u>	27.67
Notes:		
i. Includes 31500000 (P.Y.31500000) Equity shares of Rs.2/- each issued at a premium of Rs.0.20 per share on conversion of Optionally Convertible Unsecured Debentures.		
ii. Includes 82188910 (P.Y.82188910) Equity shares of Rs.2/- each fully paid allotted on 30.4.99 in exchange of shares on amalgamation for consideration other than cash.		
iii. Includes 31085420 (P.Y.31085420) Equity shares of Rs.2/- each reduced as per Scheme of arrangement approved by Honourable Gujarat High Court order dated 17th February 2003.		
iv. Includes 20490000 (P.Y.20490000 ) Equity Shares of Rs.2/- each fully paid, allotted on 31.1.2004 in exchange of shares on amalgamation for consideration other than cash. Explanation to Notes : Till 16th January 2006, the Company's paid up Capital was made up of Equity Shares of Rs. 10/- each which was then split into Equity Shares of Rs.2/- each.In the above notes the number of shares and premium is restated as related to Equity shares of Rs. 2/- each.		
v. Includes 966615 (P.Y. 966615 ) Equity Shares of Rs.2/- each bought back and extinguished pursuant to Scheme of Buy-back from open market through stock exchange route which closed on 15.01.2008.		
	<u>27.67</u>	27.67
<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Balance as per last Balance Sheet	147.45	143.02
Less : Transitional Liability under AS 15 (Includes Deffered tax Nil P.Y Rs.0.05 Crores)	0.00	0.10
Less : Utilised for Buy Back of Equity Shares	0.00	3.12
Add : Transferred from Capital Subsidy	0.00	0.15
Add : Transferred from Profit & Loss Account	1.80	7.50
	<u>149.25</u>	147.45
<b>Hedge Reserve</b>		
Balance as per last Balance Sheet	0.00	0.00
Add : Addition during the year (Refer Note No. 6 of Schedule "U")	(73.57)	0.00
	<u>(73.57)</u>	0.00
<b>Capital Subsidy</b>		
Balance as per last Balance Sheet	0.50	0.65
(Refer Accounting Policy "O" of Schedule "T" of Standalone Statements )		
Add : Subsidy Received During the Year	0.37	0.00
Less : Transfer to General Reverse	0.00	0.15
	<u>0.87</u>	0.50
<b>Amalgamation Reserve Account</b>		
Balance as per last Balance Sheet	0.02	0.02
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	0.13	0.30
Add: Additions/adjustments during the year	0.81	(0.17)
	<u>0.94</u>	0.13
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	0.89	0.89
<b>Capital Redemption Reserve</b>		
Opening Balance	6.41	6.22
Add : Transferred from Profit & Loss Account	0.00	0.19
	<u>6.41</u>	6.41
<b>Surplus as per Profit and Loss Account</b>	<u>191.49</u>	175.51
	<u>276.30</u>	330.91
<b>SCHEDULE "C" SECURED LOANS</b>		
<b>(A) Term Loans</b>		
(I) from Indian Renewable Energy Development Agency, New Delhi	2.16	2.83
Interest accrued and due on above	0.00	0.00
(Secured by hypothecation of Wind Mills, Mortgage of related land & personal guarantee of three promoter Directors.) (Principal repayable within one year Rs. 0.67 Crores (P.Y. Rs.0.67 Crores)	<u>2.16</u>	2.83
(II) from Bank of India, under TUF scheme	13.75	18.75
(Secured by hypothecation of specific movable Plant & Machinery & personal guarantee of three promoter Directors.) (Principal repayable within one year Rs. 5.00 Crores (P.Y. Rs. 5.00 Crores)		
(III) from Punjab National Bank	0.00	0.10
Interest accrued and due on above (Rs. Nil, P.Y. Rs. 12325/-)	0.00	0.00
(Secured by pledge of fixed deposit of Rs. 0.15 Crores)		
(Principal repayable within one year Rs.Nil) ( P.Y. Rs. 0.10 Crores)		
	<u>0.00</u>	0.10
	<u>15.91</u>	21.68
<b>(B) Other Loans - Working Capital</b>		
From Banks	74.41	492.27
(Secured by a hypothecation of current assets & certain tangible movable plant & machinery and joint equitable mortgage of certain immovable fixed assets of the Company and personal guarantee, mortgage and security of certain personal assets of three promoter directors and against lien on Fixed Deposits of the Company.)		
	<u>74.41</u>	492.27
	<u>90.32</u>	513.95



**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2009**

[Rupees in Crores]

	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE "D" UNSECURED LOANS</b>		
Dealers' & Distributors' Deposits	0.77	1.15
	<u>0.77</u>	<u>1.15</u>
<b>SCHEDULE "E" DEFERRED TAX</b>		
<b>Deferred tax Liability</b>		
Depreciation	43.50	48.91
	<u>43.50</u>	<u>48.91</u>
<b>Deferred tax Assets</b>		
Provisions- 43 B items	(0.35)	(0.34)
	<u>(0.35)</u>	<u>(0.34)</u>
<b>Deferred Tax Liability (Net)</b>	<u>43.15</u>	<u>48.57</u>

**SCHEDULE "F" FIXED ASSETS (AT COST)**

SR No.	PARTICULARS	Gross Block				Depreciation				Net Block	
		As at 01.04.2008	Additions During the year	Deductions During the year	As at 31.03.2009	As at 01.04.2008	For the year	Deductions during the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
	<b>Tangible Assets</b>										
1	Free Hold Land	2.81	1.53	0.00	4.34	0.00	0.00	0.00	0.00	4.34	2.81
2	Lease Hold Land	5.91	0.00	0.00	5.91	0.00	0.08	0.00	0.08	5.83	5.91
3	Factory Building	68.75	2.62	0.00	71.37	19.52	2.32	0.00	21.84	49.53	49.23
4	Non-Factory Building & Colony	8.28	1.20	0.00	9.48	1.86	0.14	0.00	2.00	7.48	6.42
5	Plant & Machinery	269.50	9.04	0.31	278.23	134.15	26.26	0.35	160.06	118.17	135.35
6	Wind Mill	31.98	0.00	0.00	31.98	3.14	1.69	0.00	4.83	27.15	28.84
7	Electric Supply System	11.10	1.11	0.00	12.21	5.60	0.55	0.00	6.15	6.06	5.50
8	Vehicles	4.92	1.57	0.33	6.16	2.07	0.58	0.17	2.48	3.68	2.85
9	Furniture & Fixtures	2.05	0.56	(-)0.01	2.62	1.44	0.49	(-)0.01	1.94	0.68	0.61
10	Office Equipments	3.43	0.44	0.00	3.87	1.61	0.33	0.00	1.94	1.93	1.82
11	D.G.Set	28.41	0.16	0.00	28.57	16.66	2.73	0.00	19.39	9.18	11.75
12	Temple (addition Rs.14625/-)	0.30	0.00	0.00	0.30	0.04	0.01	0.00	0.05	0.25	0.26
13	Factory Road	1.38	0.07	0.00	1.45	0.11	0.02	0.00	0.13	1.32	1.27
14	Effluent Treatment Plant (Refer Note No 4)	9.80	0.41	0.65	9.56	1.51	0.96	0.00	2.47	7.09	8.29
	<b>Intangible Assets</b>										
1	Trade Mark	0.50	0.00	0.00	0.50	0.40	0.05	0.00	0.45	0.05	0.10
2	Computer Software (SAP)	0.96	0.02	0.00	0.98	0.15	0.15	0.00	0.30	0.68	0.81
	<b>TOTAL</b>	<b>450.08</b>	<b>18.73</b>	<b>1.28</b>	<b>467.53</b>	<b>188.26</b>	<b>36.36</b>	<b>0.51</b>	<b>224.11</b>	<b>243.42</b>	<b>261.82</b>
	Previous year	391.97	63.21	5.10	450.08	157.19	31.46	0.39	188.26	261.82	234.78
	<b>CAPITAL WORK IN PROGRESS</b>	<b>0.96</b>	<b>7.36</b>	<b>8.22</b>	<b>0.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.10</b>	<b>0.96</b>
	<b>ADVANCE FOR CAPITAL EXPENDITURE</b>	<b>4.52</b>	<b>2.27</b>	<b>1.56</b>	<b>5.23</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.23</b>	<b>4.52</b>
	<b>TOTAL</b>	<b>5.48</b>	<b>9.63</b>	<b>9.78</b>	<b>5.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.33</b>	<b>5.48</b>
	Previous year	27.47	33.17	55.16	5.48	0.00	0.00	0.00	0.00	5.48	27.47

- Estimated amount of capital contracts (net) pending to be executed Rs.32.52 Crores (P Y Rs. 29.83 Crores).
- During the year Company has capitalised borrowing costs of Rs. Nil (P.Y. 0.13 Crores).
- Opening Balances of Freehold and Leasehold Land have been reclassified.
- Capital Subsidy received in respect of specific assets has been deducted from the cost of the assets and depreciation charged accordingly.

	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE "G" INVESTMENTS (AT COST)</b>		
<b>I (LONG TERM INVESTMENTS) (NON TRADE)</b>		
<b>i. QUOTED ( IN EQUITY SHARES)</b>		
300 [P.Y. 300] ACC Limited of Rs.10/- each fully paid up.	0.02	0.02
10 [P.Y. 10] Adani Enterprises Ltd.of Rs.1/- each fully paid up. [Rs.594/- (P.Y. Rs.594/-)]	0.00	0.00
50380 [P.Y. 50380] Ambuja Cement Ltd.of Rs.2/- each fully paid up.	0.62	0.62
20302 [P.Y.20302 ] Andhra Bank of Rs. 10 /- each fully paid up.	0.18	0.18
25 [P.Y. 25] Arvind Mills Ltd.of Rs. 10/- each fully paid up. [Rs.261/- (P.Y. Rs.261/-)]	0.00	0.00
100000 [P.Y. 100000] Ashok Leyland Ltd. of Rs.1/- each fully paid up.	0.36	0.36
24735 [P.Y. 24735] Central Bank of India of Rs.10/- each fully paid up.	0.19	0.19
3391 [P.Y. 3391] Edelweiss Capital Ltd. of Rs. 5/- each of fully paid.	0.28	0.28
4992 [P.Y. 4992] Firstsource Solutions Ltd. of Rs 10/- each fully paid up.	0.03	0.03
35290 [P.Y. 35290] Gateway Distriparks Ltd. of Rs.10/- each fully paid up.	0.30	0.30
5400 [P.Y. 5400] Gujarat Alkalies & Chemicals Ltd. of Rs.10/- each fully paid up.	0.08	0.08
62631 [P.Y.62631] Gujarat State Petronet Ltd. of Rs.10/- each fully paid up.	0.17	0.17
10000 [P.Y.10000] Hindalco Industries Ltd. of Rs.1/- each fully paid up.	0.19	0.19
39897 [P.Y.39897] Hotel Leela Venture Ltd. of Rs. 2/- each fully paid up.	0.17	0.17
5426 [P.Y.5426] ICICI Bank Ltd. of Rs.10/- each fully paid up.	0.50	0.50
203965 [P.Y.203965] IDEA Cellular Ltd. of Rs.10/- each fully paid up.	1.53	1.53
10000 [P.Y. 10000] I D F C Ltd. of Rs.10/- each fully paid up.	0.22	0.22


**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2009**

[Rupees in Crores]

	AS AT 31.03.2009	AS AT 31.03.2008
<b>i. QUOTED ( IN EQUITY SHARES) (Contd.)</b>		
2000 [P.Y. 1000] Larsen & Toubro Ltd. of Rs.2/- each fully paid up. (Includes 1000 Shares received as Bonus Shares during the year.)	0.28	0.28
5 [P.Y. 5] Maral Overseas Ltd. of Rs.10/- each fully paid up. [Rs.116/- (P.Y. Rs.116/-)]	0.00	0.00
114822 [P.Y. 114822] Meghmani Organics Ltd. of Rs.1/- each fully paid up.	0.22	0.22
77770 [P.Y. 88770] NTPC Ltd. of Rs.10/- each fully paid up.	1.13	1.29
41100 [P.Y. 66600] Oil & Natural Gas Corp.Ltd. of Rs.10/- each fully paid up.	4.06	6.58
5583 [P.Y. 5583] Omaxe Limited of Rs.10/- each fully paid up.	0.17	0.17
351700 [P.Y. 251700] Petronet LNG Ltd. of Rs.10/- each fully paid up.	2.60	1.79
9539 [P.Y. 9539 ] Power Finance Corp. Ltd. of Rs.10/- each fully paid up.	0.08	0.08
254559 [P.Y. 254559] Power Grid Corporation of India Ltd. of Rs.1/- each fully paid up.	1.33	1.33
100 [P.Y. 100] Riddhi Siddhi Gluco Byols Ltd. of Rs.10/- each fully paid up. [Rs.1075/- (P.Y. Rs.1075/-)]	0.00	0.00
15000 [P.Y. 10000] Shipping Corporation of India Ltd. of Rs.10/- each fully paid up. (Includes 5000 Shares received as Bonus Shares during the year.)	0.21	0.21
24600 [P.Y. 24600] Steel Authority of India Ltd. of Rs.10/- each fully paid up.	0.51	0.51
1500 [P.Y.1500] Sukhjit Starch & Chemicals Ltd. of Rs.10/- each fully paid up.	0.02	0.02
7000 [P.Y. 7000] Tata Motors Ltd.of Rs.10/- each fully paid up.	0.44	0.44
4037 [P.Y. 37] Tata Steel Ltd. of Rs.10/- each fully paid up. (P.Y. Rs.11100/-)	0.10	0.00
40000 [P.Y. 40000] Tata Teleservices Maharashtra Ltd. of Rs.10/- each fully paid up.	0.13	0.13
<b>ii. QUOTED (IN PREFERENCE SHARES)</b>		
182 [P.Y. 182] CCPS of Tata Steel Ltd. of Rs.10/- each fully paid up [Rs.18200/- (P.Y. Rs.18200/-)]	0.00	0.00
<b>iii. QUOTED (IN BONDS)</b>		
30 [ P.Y. 30 ] PNB Long Term LOA Perpetual Bonds (Interest 10.40%)	3.00	3.00
8011 [ P.Y. Nil ] NABARD Bhavishya Nirman Bond	6.65	0.00
5 [ P.Y. Nil ] Syndicate Bank - 9.35% Bond	0.44	0.00
<b>iv. UNQUOTED [IN EQUITY SHARES]</b>		
10000 [P.Y. 10000] Equity shares of Kalupur Com. Co-Op Bank Ltd. of Rs 25/- each fully paid up.	0.02	0.02
<b>v. UNQUOTED [IN MUTUAL FUND]</b>		
250000 [P.Y. 250000 ] Units of Reliance Mutual Fund of Rs.10/- each	0.25	0.25
312030.741 [ P.Y. 311721.854 ] Units of Kotak Lifestyle Mutual Fund of Rs.10/- each	0.32	0.32
100000 [P.Y. 100000 ] Units of PNB Long Term Equity Fund of Rs.10/- each	0.10	0.10
<b>vi. UNQUOTED [ IN GOVERNMENT SECURITY]</b>		
National Saving Certificates [Lodged with Sales tax & Other Government authorities ]	0.02	0.01
<b>II. LONG TERM INVESTMENTS (TRADE)</b>		
<b>UNQUOTED (IN EQUITY SHARES)</b>		
<b>(i) In Others</b>		
689490 [P.Y.689490] Equity shares of Jupiter Corporate Services Ltd. of Rs 10/- each fully paid up.	3.64	3.29
2083580 [P.Y. 2083580] Equity Shares of Royale Exports Ltd. Srilanka each of Rs.10/- of Srilankan Rupees (Also refer Note 14 of Schedule "U" of Standalone Statements)	0.98	0.98
	<b>31.54</b>	<b>25.86</b>
AGGREGATE COST OF QUOTED INVESTMENTS	<b>26.21</b>	20.89
AGGREGATE COST OF MUTUAL FUND	<b>0.67</b>	0.67
AGGREGATE COST OF UNQUOTED INVESTMENTS	<b>4.66</b>	4.30
MARKET VALUE OF QUOTED INVESTMENTS	<b>24.16</b>	20.00
NAV OF MUTUAL FUND	<b>0.66</b>	0.77
<b>SCHEDULE "H" CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>a Inventories (As taken, valued &amp; certified by the management)</b>		
Raw Materials	98.84	284.60
Packing Materials	7.40	5.41
Stores & Spares, Coal, Diesel, Furnace Oil	22.92	14.75
Work in Process	2.59	2.27
Finished Goods	67.63	154.25
	<b>199.38</b>	<b>461.28</b>
<b>b Sundry Debtors (Unsecured, Considered Good)</b>		
Outstanding for a period exceeding six months	0.33	0.18
Others	62.58	91.67
	<b>62.91</b>	<b>91.85</b>
<b>c Cash &amp; Bank Balances</b>		
Cash on Hand	0.48	0.69
Balance with Banks		
(i) With Scheduled Banks		
(a) in Current accounts	3.73	2.27
(b) in Current account (unclaimed dividend)	1.87	0.74
(c) in Fixed Deposit	13.40	133.84
(with Bank as Lien towards margin money for Line of Credit)		
(d) Lien Free Fixed Deposit	7.03	4.63
(ii) With Other Banks		
(a) Current accounts	0.11	0.06
Includes balances with		
(a) Shri Kadi Nagrik Sahakari Bank Ltd Rs. Nil (P.Y. Rs 19893/-) (Maximum balance outstanding during the year Rs.19893/- P.Y. Rs.19893/-)		
(b) The Akola Janta Comm.Co.Op.Bank Ltd Rs.1068699/- (P.Y.Rs.546520/-) (Maximum balance outstanding during the year Rs. 3186839/- P.Y.Rs.7850274/-)		
	<b>26.62</b>	<b>142.23</b>


**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2009**

[Rupees in Crores]

	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE "H" CURRENT ASSETS, LOANS AND ADVANCES (Contd.)</b>		
<b>d Other Current Assets</b>		
Interest Receivable	2.35	6.77
Exports Incentive Receivable	3.36	3.23
	<u>5.71</u>	<u>10.00</u>
<b>e Loans &amp; Advances (Unsecured, Considered Good)</b>		
Advances recoverable in cash or in kind or for value to be received	59.31	51.25
Advances for Goods & Expenses	1.43	1.34
Excise Balances	0.80	1.81
Tax Balances: (Advance Tax Less Provisions)	0.23	1.05
	<u>61.77</u>	<u>55.45</u>
<b>SCHEDULE "I" CURRENT LIABILITIES</b>		
Creditors for Capital Goods	0.76	2.54
Creditors for Goods & Expenses	95.59	81.08
Advance Received from Customers	1.40	2.11
Interest Accrued but not due	0.57	2.05
Bank Overdraft as per Books	0.07	0.43
Other Liabilities	14.09	15.97
Provision for Mark to Market loss on Outstanding Forward Contracts	73.57	0.00
Unclaimed Dividend (Not due for transfer to I.E & P Fund)	1.87	0.92
	<u>187.92</u>	<u>105.10</u>
<b>SCHEDULE "J" PROVISIONS</b>		
Interim Dividend (Including Dividend Distribution Tax Rs. 0.94 Crores P.Y Rs. Nil)	6.48	0.00
Proposed Dividend (Including Dividend Distribution Tax Rs. Nil P.Y Rs. 0.94 Crores)	0.00	6.48
Tax Balances: (Provisions Less Advance Tax)	3.68	19.87
Provision for Employee Benefits	0.46	0.34
	<u>10.62</u>	<u>26.69</u>

**SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

[Rupees in Crores]

	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>SCHEDULE "K" SALES</b>		
Export Sales [FOB Value Rs. 625.99 Crores (P.Y.Rs 897.33 Crores)]	650.41	932.30
Domestic Sales	979.59	922.99
	<u>1,630.00</u>	<u>1,855.29</u>
<b>SCHEDULE "L" OTHER INCOME</b>		
<b>OPERATIONAL</b>		
Miscellaneous Income	2.93	0.43
Profit on Sale of Assets	0.05	0.54
	<u>2.98</u>	<u>0.97</u>
<b>OTHER</b>		
Dividend from Long Term Investments (Non Trade)	0.34	0.07
Dividend from Short Term Investments (Non Trade)	0.67	0.00
Profit on Sale of Short Term Investments (Non Trade)	0.21	1.24
Profit on Sale of Long Term Investments (Non Trade)	0.05	0.00
Interest Income on bonds ( TDS Rs.33020/-)	0.02	0.00
	<u>1.29</u>	<u>1.31</u>
	<u>4.27</u>	<u>2.28</u>
<b>SCHEDULE "M" (INCREASE) / DECREASE IN STOCK</b>		
Opening Stock :		
Work-in-Process	2.27	2.18
Finished Goods	154.25	98.82
	<u>156.52</u>	<u>101.00</u>
Less : Closing Stock :		
Work-in-Process	2.59	2.27
Finished Goods	67.63	154.25
	<u>70.22</u>	<u>156.52</u>
	<u>86.30</u>	<u>(55.52)</u>
<b>SCHEDULE "N" MATERIAL CONSUMPTION</b>		
Raw Materials		
Opening Stock :	284.60	103.52
Add : Raw Materials Purchased	840.90	1,555.83
	<u>1,125.50</u>	<u>1,659.35</u>
Less : Sale of Raw Materials	0.00	3.84
Less : Closing Stock :	98.84	284.60
Raw Material Consumption	<u>1,026.66</u>	<u>1,370.91</u>
Packing Material Consumption	25.48	15.95
<b>Total Material Consumption</b>	<u>1,052.14</u>	<u>1,386.86</u>



**SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009** [Rupees in Crores]

	<b>YEAR ENDED</b> <b>31.03.2009</b>	<b>YEAR ENDED</b> <b>31.03.2008</b>
<b>SCHEDULE "O" MANUFACTURING EXPENSES</b>		
Stores & Spares Consumed	17.19	15.10
Power, Electricity, Diesel, LDO & Fuel Expenses	73.10	63.35
Chemicals & Lub Oil Consumed	12.45	9.29
Repairs : Plant & Machinery	1.25	0.82
Building	0.39	0.53
Others	0.63	1.07
Insurance	0.91	1.06
Other Manufacturing Expenses	19.86	18.80
	<u>125.78</u>	<u>110.02</u>
Less : Job work charges Recovered	1.01	3.57
	<u>124.77</u>	<u>106.45</u>
<b>SCHEDULE "P" EMPLOYEES' COST</b>		
Salary,Wages, Bonus, Gratuity & Leave encashment	26.46	21.82
Commission to Managing Directors	3.92	6.94
Contribution to Provident Fund & Other Funds	1.29	1.11
Staff Welfare	0.83	0.19
	<u>32.50</u>	<u>30.06</u>
<b>SCHEDULE "Q" ADMINISTRATIVE EXPENSES</b>		
Conveyance & Travelling Expenses [Including Directors Travelling Rs 0.46 Crores (P.Y. Rs. 0.10 Crores)]	1.72	2.40
Electricity	0.39	0.35
Vehicle Maintenance	1.27	1.16
Insurance	0.37	0.45
Printing,Stationery,Postage & Telephone	1.85	1.44
Legal & Professional	1.01	1.61
Rent	0.44	0.59
Rates & Taxes	0.26	0.18
Donations	0.25	0.06
Foreign Exchange Fluctuation	(0.19)	5.79
Payment to Auditors :		
For Audit	0.13	0.11
For Tax Audit	0.05	0.03
For Taxation Matter	0.02	0.00
For Others	0.02	0.01
General Administrative Charges	3.18	5.15
	<u>10.77</u>	<u>19.33</u>
<b>SCHEDULE "R" SALES EXPENSES</b>		
<b>For Domestic Sales</b>		
Local Sales Expenses	12.17	11.90
Commission & Brokerage	1.79	1.36
Rent (Godowns / Warehouses)	0.20	0.16
Bad Debts Written Off	0.03	0.00
	<u>14.19</u>	<u>13.42</u>
<b>For Export Sales</b>		
Exports Sales Expenses	49.31	79.65
Commission & Brokerage	3.13	1.54
Insurance	0.03	0.03
	<u>52.47</u>	<u>81.22</u>
	<b>Total (I + II)</b>	<b>94.64</b>
<b>SCHEDULE "S" FINANCE &amp; OTHER CHARGES</b>		
Interest on Fixed Loans / Term Loan	1.19	1.50
Interest on Working Capital Loans	8.90	16.23
Interest on Others	0.27	0.40
Bank and Other Financial Charges	6.81	7.55
	<u>17.17</u>	<u>25.68</u>
<b>LESS : Income</b>		
Interest on Bank Deposits (Gross) [TDS : Rs.1.27 Crores (P.Y.TDS Rs 2.26 Crores)]	5.88	10.05
Interest from Others (Gross) [TDS Rs. 0.03 Crores (P.Y. TDS Rs. 0.01 Crores)]	0.24	0.37
	<u>6.12</u>	<u>10.42</u>
<b>Net Finance Charges</b>	<b>11.05</b>	<b>15.26</b>

**SCHEDULE “T” SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Accounting:**

The financial statements are prepared under the historical cost convention and comply with the applicable Accounting Standards in the country of incorporation.

**2. Principles of consolidation:**

The consolidated financial statements relate to Gujarat Ambuja Exports Ltd. (“the Company”), and its wholly owned Subsidiary Company, Gujarat Ambuja International Pte. Ltd. (GAIPL). The consolidated financial statements have been prepared on the following basis.

The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets and liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible in the same manner as the company's separate financial statements.

The difference between cost of investments of the parent company in the subsidiary company and share of parent company in equity and reserves of subsidiary company is treated as goodwill or capital reserve.

**3. The Subsidiary Company considered in the consolidated financial statements is**

Name of the Company	Country of Incorporation	% Voting power held as at 31st March 2009	Reporting Date
Gujarat Ambuja International Pte Ltd.	Singapore	100%	31-03-2009

Note: There is no change in above details since the reporting date 31.03.2009.

**4. Exchange adjustments :** In case of GAIPL, the wholly owned subsidiary, the summarized revenue and expenses reflected in Profit & Loss Account have been translated into Indian Rupees at an average exchange rate. The Assets and Liabilities have been translated into Indian Rupees at the closing exchange rate prevailing on Balance Sheet date. The resultant excess/ shortfall, arising out of elimination process in consolidation has been disclosed as Foreign Currency Translation Reserve in Reserves/Surplus schedule.**5. Other significant Accounting Policies:** These are set out in the notes to accounts under “Statement of Accounting Policies” for financial statements of Gujarat Ambuja Exports Ltd, the holding Company and Gujarat Ambuja International Pte. Ltd, the wholly owned Subsidiary Company.**SCHEDULE “U” NOTES TO FINANCIAL STATEMENTS :**

[Rupees in Crores]

**1. Contingent liabilities not provided for in respect of :**

	PARTICULARS	2008-09	2007-08
(a)	Claims against the Company /disputed liabilities not acknowledged as debts	1.76	4.67
(b)	Disputed Excise duty, Sales Tax, Motor Spirit Tax, Income Tax Claims etc.	17.98	18.77
(c)	Export obligation on duty free imports (Differential amount of custom duty in respect of machinery and raw materials imported under EPCG and Advance License Scheme)	0.06	0.11
(d)	Corporate guarantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte. Ltd. Outstanding against this as at 31st March	12.68 (US\$2.5Mn) Nil	10.02 (US\$2.5Mn) Nil

**Note:** a) Outflow in respect of 1 (a) and (b) disputes/contingencies is dependent upon final outcome of the disputes or ultimate agreement to resolve the differences.

b) Future cash outflows in respect of 1 (c) depends if Company is unable to fulfill export obligation of 15593 MT of Castor DOC under Advance License Scheme on or before 30<sup>th</sup> November 2009.

2. In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

3. Sales include realized loss of exchange on forward exchange contracts (Net of settlements) entered into primarily for hedging purpose Rs. 48.59 crores {P.Y. Gain Rs. 10.44 crores (net)}.

4. Based on the information available with the Company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31,2009. Hence, the disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given. This is relied upon by Auditors.

5. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**6. Change in Accounting Policy**

Upto 31<sup>st</sup> December 2008 the Company was following the accounting policy of recognizing loss on outstanding forward and derivative contracts by marking them to market basis in the Profit & Loss account and recognized the loss of Rs. 30.42 crores for the period ended 31<sup>st</sup> December 2008.

Effective from 1<sup>st</sup> January 2009, the Company has changed the Accounting policy of recognizing the impact of fluctuation in respect of forward and derivative contracts by applying the principles of recognition set out in the International Accounting Standards as suggested by The Institute of Chartered Accountants of India, which are reflected in the Accounting Standard 30 – ‘Financial instruments Recognition and Measurement’. The impact of such mark to market loss on outstanding contracts as of 31<sup>st</sup> March, 2009 in respect of forward & short term derivative contracts amounts to Rs. 32.70 crores and long term derivative contracts beyond 12 months is Rs. 40.87 crores. As a result of this change in policy, the impact of mark to market loss in respect of above mentioned outstanding contracts are carried as Hedge Reserve and correspondingly under Current Liabilities to be ultimately set off when the underlying transactions crystallize in the Profit & Loss Account.

**7. Related Party Disclosure:**

The disclosure in pursuance to Accounting Standard-18 on “Related Party disclosures” is as under :



**(a) Name of Related Parties & Relationship**

Name	Relationship	Manner
1. Vijaykumar Gupta	Managing Director (Key Managerial Person)	Key Managerial Person & person exercising more than 20% voting power.
2. Manishkumar Gupta	Managing Director (Key Managerial Person)	Key Managerial Person & Relative as son of Mr Vijaykumar Gupta & person exercising more than 20% voting power.
3. Sulochana Gupta	Relative	Relative as wife of Mr.Vijaykumar Gupta & mother of Manish Gupta
4. Shilpa Gupta	Relative	Relative as wife of Mr.Manish Gupta
5. Mohit Gupta	Relative/ Key Managerial Person	Relative as son of Mr.Vijaykumar Gupta & Mrs. Sulochana Gupta & brother of Mr.Manish Gupta and Key Managerial Person w.e.f 1/08/08
6. P.G.Makhija	Executive Director (Key Managerial Person)	Key Managerial Person

**b) Transactions during the year & Balances outstanding as at the year end with the Related Parties:**

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person
(a) Sale of Fixed Assets	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	P.Y. (0.18)	(0.18)	(0.00)
(b) Managerial Remuneration	<b>4.88</b>	<b>4.61</b>	<b>0.27</b>
	P.Y. (7.69)	(7.44)	(0.25)
(c) Services : Sitting Fees	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>
	P.Y. (0.01)	(0.00)	(0.01)
(d) Dividend paid	<b>3.51</b>	<b>3.27</b>	<b>0.24</b>
	P.Y. (6.68)	(5.53)	(1.15)

Note: No amount has been provided as doubtful debts or advances / written off or written back in respect of debts due from / to above parties. Figures in brackets relate to previous year.

**8. Earnings per Share (EPS): (On Equity Shares of Rs. 2/- each)**

PARTICULARS	2008-09	2007-08
Net Profit as per Profit & Loss Account	24.25	71.44
No.of Weighted Average outstanding Equity Shares	138351875	138815311
Earning per Equity Share of Rs 2/- each(Basic & Diluted)	1.75	5.15

Weighted average outstanding equity shares for the Previous Year have been computed after considering buyback during the Financial Year 2007-08.

P.T.O.

**Gujarat Ambuja Exports Limited**  
Regd. Office : "Ambuja Tower", Opp.Memnagar Fire Station, Navrangpura,  
P.O. Navjivan, Ahmedabad - 380 014.

**PROXY FORM**

Folio No/ DP-ID & Client-ID \_\_\_\_\_ No of Shares held \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/s of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on **Thursday, 24<sup>th</sup> September, 2009** at **11.00 A.M.** at GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Signature (s) \_\_\_\_\_

Revenue stamp of Re. 1/- to be affixed

- Notes :**
1. THE PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE AFORESAID MEETING.
  2. THE FORM SHOULD BE SIGNED ACROSS THE STAMP AS PER SPECIMEN SIGNATURE REGISTERED WITH THE COMPANY.
  3. A PROXY NEED NOT BE A MEMBER.

For Office use Only      Proxy No.      Date of Receipt : \_\_\_\_ / \_\_\_\_ / 2009.

**Gujarat Ambuja Exports Limited**  
Regd. Office : "Ambuja Tower", Opp.Memnagar Fire Station, Navrangpura,  
P.O. Navjivan, Ahmedabad - 380 014.

**ATTENDANCE SLIP**  
**18TH ANNUAL GENERAL MEETING, THURSDAY, THE 24<sup>TH</sup> SEPTEMBER, 2009**  
Venue : GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006.

**Time : 11.00 A.M.**

Folio No./ DP-ID & Client ID: \_\_\_\_\_ No of Shares held \_\_\_\_\_

Name of Member(s) / Proxy : \_\_\_\_\_

Please tick whether    Member [    ]      Joint Holder [    ]      Proxy [    ]

Member's or Proxy's Signature : \_\_\_\_\_

- Notes :**
1. Members/Proxies must bring the admission slip duly completed and signed and hand over the same at the entrance.
  2. Admission restricted strictly for members and valid proxyholders only. Please bring your copy of the Annual Report.
  3. Shareholders intending to require information about accounts, to be explained at the meeting, are requested to inform the Company atleast 10 days in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.



9. Segment Information for the year ended 31<sup>st</sup> March 2009:

	2008-09						2007-08					
	Cotton Yarn	Maize Processing	Agro Processing	Wind Mill	Others	Total	Cotton Yarn	Maize Processing	Agro Processing	Wind Mill	Others/Unallocated	Total
<b>(A)Revenue :</b>												
External Sales	175.19	216.07	1205.01	8.33	19.09	1623.69	153.25	132.89	1537.49	5.46	14.49	1843.58
Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Revenue	175.19	216.07	1205.01	8.33	19.09	1623.69	153.25	132.89	1537.49	5.46	14.49	1843.58
<b>(B)Result:(Profit before Interest &amp; tax)</b>												
Segment Result	-22.93	15.85	66.20	6.18	0.81	66.11	-3.97	11.91	124.47	3.62	0.22	136.25
Less: Unallocated Corporate Expenses net of unallocated Corporate Income						-9.60						-10.83
<b>Operating Profit</b>						56.51						125.42
Interest Expenses						-11.05						-15.26
Exceptional Item(Loss on Discarding of Assets)							-0.46					-0.46
Prior Period Items						0.10						0.00
Current Tax (Dr.)						-18.88						-39.16
Deferred Tax (Dr./Cr)						5.43						1.05
Excess/(Short) Provision of Tax of earlier years						-7.61						0.01
Fringe Benefit Tax						-0.24						-0.16
<b>Net Profit</b>						24.25						71.44
<b>(C)Other Information</b>												
Segment Assets	126.00	133.09	257.66	29.44	0.96	547.15	156.46	147.68	662.37	27.06	0.88	994.45
Unallocated Corporate Assets						89.60						59.59
<b>Total Assets</b>	126.00	133.09	257.66	29.44	0.96	636.75	156.46	147.68	662.37	27.06	0.88	1054.04
Segment Liabilities	10.47	10.13	89.71	0.00	-0.76	109.55	9.61	19.57	74.43	0.01	0.03	103.65
Unallocated Corp. Liabilities						223.23						591.81
<b>Total Liabilities</b>	10.47	10.13	89.71	0.00	-0.76	332.78	9.61	19.57	74.43	0.01	0.03	695.46
Capital Expenditure Capitalised	0.51	14.43	3.79	0.00	0.00	18.73	2.66	56.45	3.93	0.17	0.00	63.21
Depreciation	15.84	9.48	9.31	1.72	0.00	36.36	15.77	5.30	8.71	1.68	0.00	31.46
Non cash Expenses other than depreciation/ amortisation							0.46					0.46

(b) Secondary Segment - Geographical Segment : Segment revenue by geographical area based on geographical location of customers.

Geographical Area	Current Year	Previous Year	Geographical Area	Current Year	Previous Year
India	961.57	954.71	North America	9.18	52.81
Asia Specific	631.28	748.94	South America	4.23	27.37
Africa	1.61	6.82	Australia	0.89	0.31
Europe	14.93	52.62	<b>Total</b>	<b>1623.69</b>	<b>1843.58</b>

Notes: (i) Agro Processing Division comprises of Solvent extraction, Flour Mill and Bio Tech operations. (ii) Others comprises of operations of overseas subsidiary. (iii) Unallocated Assets and Liabilities comprises that of Corporate Investments, Goodwill, Secured Loans, Provision for Taxes, Provision for Dividend, Unclaimed Dividend, Deferred Tax Liability and provision for Mark to Market Losses on Forward Contracts. (iv) The Company's operating facilities are located in India.

10. The consolidated financial statement have been prepared in accordance with Accounting Standard (AS-21) – "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India.

11. Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.

FOR, KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

VIJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)  
N. GIRIDHAR  
(V. P. FINANCE & ACCOUNTS)  
PLACE : AHMEDABAD  
Date : JULY 23, 2009

MANISH V.GUPTA  
(MANAGING DIRECTOR)  
PARAS MEHTA  
(COMPANY SECRETARY)

ARPIT K. PATEL  
(PARTNER)  
PLACE : AHMEDABAD  
Date : JULY 23, 2009

FOR ATTENTION OF ALL MEMBERS

A. GENERAL

- 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.
- 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.
- Members holding shares in physical form are requested to quote their new Folio number in GACL and members holding shares in electronic form are requested to quote their Client ID along with DP\_ID in all their future correspondence.
- 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).
- 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.
- As mandated by SEBI, the Company is providing electronic clearing system (ECS) facility to the members whereby members can receive their dividend by way of electronic credit directly to their bank account. The members may send their request in details to the Company and for format of ECS may write to the Company.
- 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. DEMATERIALIZATION :

- Members are requested to note that the shares of the Company are under **compulsory demat** from 24.07.2000. 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 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.

- Kindly note that from 29<sup>th</sup> 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, PO. 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.
- SUB-DIVISION OF EQUITY SHARES FROM RS.10/- EACH TO RS.2/- EACH AND EXCHANGE OF SHARES**
  - 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 16<sup>th</sup> January, 2006.
  - 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 surrender the old share certificate(s) of Rs.10/- each at Registered Office of the Company for exchange.
- FOR ATTENTION OF MEMBERS OF ERSTWHILE GUJARAT AMBUJA COTSPIN LTD. (GACL) (ALSO KNOWN AS GUJARAT AMBUJA STEEL LTD & AMBUJA FOODS LTD), GUJARAT AMBUJA PROTEINS LIMITED (GAPL) (ALSO REFERRED AS AMALGAMATING COMPANIES) AND JUPITER BIOTECH LIMITED (FORMERLY KNOWN AS GUJARAT VITA PHARMA LIMITED) (JBL).**
  - Members who have not yet exchanged their share certificates of amalgamating companies are requested to send their holding to the Registered Office of the Company to get the shares of GACL in exchange as per our intimation dated 30.04.99 to shareholders of erstwhile GACL and GAPL and intimation dated 31.01.2004 to shareholders of JBL. Kindly note that without getting the shares of GACL 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.
  - Exchange ratios approved in the schemes of amalgamation:  
for every 4 equity shares of GACL = 1 equity share of GACL  
for every 5 equity shares of GAPL = 1 equity share of GACL  
for every 1 equity share of JBL = 1 equity share of GACL
  - Members are further requested to note that they will be issued shares of GACL in proportion to shares of GAPL and/or GACL and/or JBL surrendered. 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. In case of JBL, members are requested to send their shares held in former name of the Company i.e. Gujarat Vita Pharma Limited for exchange.



**Overview of Uttarakhand Unit**



**View of Uttarakhand Plant**



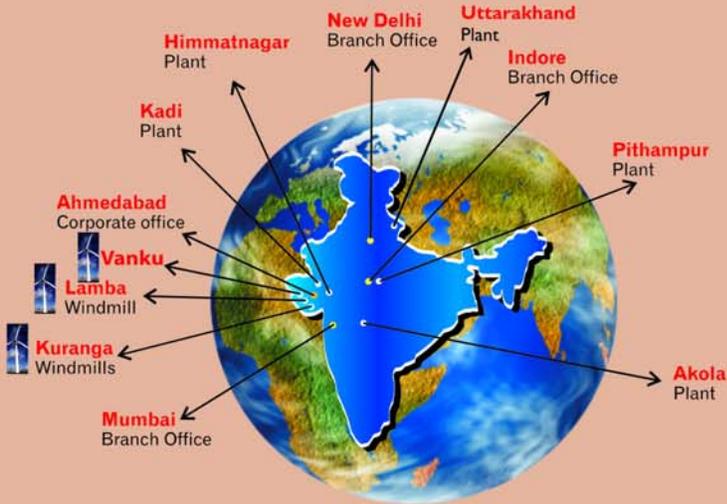
**View of Cotton Yarn Plant at Himmatnagar**



**Overview of Akola Unit**



**View of Akola Plant**



**CORPORATE OFFICE :**

**GUJARAT AMBUJA EXPORTS LIMITED**

"Ambuja Tower", Opp. Memnagar Fire Station, Post Navjivan,  
Ahmedabad - 380 014 (Gujarat) India.  
Phone : +91 79 26405535 - 37, 39 Fax : + 91 79 26423079  
Email : info@ambujagroup.com Visit us at : www.ambujagroup.com

**BRANCH OFFICES :**

17, Anjani Complex, Ground Floor, Pereira Hill Road,  
Opp. Gurunanak Petrol Pump, Chakala, Off. Andheri Kurla Road,  
Andheri (East), Mumbai - 400 099.  
Phone : + 91 22 28356497 Fax : + 91 22 28356493  
Email : bby@ambujagroup.com

208, Deep Shikha Building, Rajendra Place, New Delhi - 110 008.  
Phone : + 91 11 25745761 Fax : + 91 11 25763819  
Email : ndel@ambujagroup.com

126-129, Starlit Tower, 29, Y. N. Road, Opp. State Bank of Indore (H.O.),  
Indore - 452 001 Phone : + 91 731 4040225, 26, 27 Fax : + 91 731 2436477  
Email : Indore@ambujagroup.com

**PLANTS**

100% EOU COTTON YARN DIVISION  
1, Vrindavan Road, Village : Dalpur,  
Tal. : Prantij Dist. : Sabarkantha, Gujarat,  
Phone : +91 2772 226252 - 55 • Fax : + 91 2772 226250  
Email : cotspin@ambujagroup.com

SOYA PROCESSING UNIT  
Plot No. 414-417, Sector - III, Pithampur  
Industrial Area, Dist. Dhar, Madhya Pradesh.  
Phone : + 91 7292 256790, 256264 • Fax : + 91 7292 256199  
Email : soyapith@ambujagroup.com

MAIZE PROCESSING UNIT  
1, Vrindavan Road, Village : Dalpur,  
Tal. : Prantij, Dist. : Sabarkantha, Gujarat.  
Phone : +91 2772 226252 - 55 • Fax : + 91 2772 226256  
Email : corn@ambujagroup.com

SOLVENT EXTRACTION, REFINERY, WHEAT  
FLOUR, CATTLE FEED UNITS, KADI COMPLEX,  
Kadi-Thore Road, Kadi, Dist. Mehsana, Gujarat.  
Phone : + 91 2764 264013 - 17 • Fax : + 91 2764 264012  
Email : soyakadi@ambujagroup.com

AKOLA SOYA PROCESSING & REFINERY  
Village Kanheri - Gawali, N.H. No. 6,  
Akola - Balapur Road, Dist. Akola (Maharashtra)  
Phone : +91 7257 285026-27, 228696 • Fax : + 91 7257 228690  
Email : akola@ambujagroup.com

UTTARAKHAND MAIZE PROCESSING UNIT  
Plot No. C-50, ELDECO SIDCUL, Industrial Park,  
Sitarganj, Dist. Udham Singh Nagar, (Uttarakhand)  
Phone : + 91 9917466455, 9756605455 • Fax : + 91 5948 256011  
Email : ua@ambujagroup.com

WHOLLY OWNED SUBSIDIARY  
GUJARAT AMBUJA INTERNATIONAL PTE LTD.  
# 11-11 Tong Eng. Building,  
101 - Cecil Street, Singapore - 069 533.  
Phone : + 65 63243701, 63243702 • Fax : + 65 63243697  
Email : intl@ambujagroup.com

VIETNAM OFFICE  
Hanoi, S.R. Vietnam.  
Fax : +84 4 9367828

**BOOK-POST**

If undelivered please return to :  
**JUPITER CORPORATE SERVICES LTD.**  
UNIT : GUJARAT AMBUJA EXPORTS LTD.  
AMBUJA TOWER, OPP. MEMNAGAR FIRE STATION,  
P.O. NAVJIVAN, AHMEDABAD - 380 014.