



**GUJARAT AMBUJA
EXPORTS LIMITED**



Committed to Growth

15TH ANNUAL REPORT 2005-2006

ANNUAL REPORT 2005-2006

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

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15TH ANNUAL REPORT

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Shri Kaushik C. Khona

AUDITORS

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

BANKERS

1. Bank of India
2. Punjab National Bank
3. Bank of Baroda
4. Dena Bank
5. Union Bank of India

SHARE TRANSFER AGENT (PHYSICAL & ELECTRONIC FORM)

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

SUBSIDIARY : Gujarat Ambuja International Pte. Ltd, Singapore

PLANTS

Sr.	Name of Unit and Location	Sr.	Name of Unit and Location
1	100% EOU Cotton Spinning Division Vil. Dulpur, Dist. Sabarkantha, Gujarat	9	Solvent Extraction Unit VI, N.H.No.5, Akola- Balapur Road, Vil. Kanheri, Gawal, Maharashtra
2	Bio-Chemical Division (Maize Processing) Vil. Dulpur, Dist. Sabarkantha, Gujarat	10	Wheat Processing Unit Kadi, Dist. Mehsana, Gujarat
3	Edible Oil Refineries & Venaspali Ghee Unit Kadi, Dist. Mehsana, Gujarat	11	Cattle Feed Unit Kadi, Dist. Mehsana, Gujarat
4	Solvent Extraction Unit-I Nadi Kadi, Dist. Mehsana, Gujarat	12	Wheat Processing Unit Pithampur, Dist. Dhar (M.P.)
5	Solvent Extraction Unit-II Kadi, Dist. Mehsana, Gujarat	13	Wind Mills (Gujarat)
6	Solvent Extraction Unit-III Kadi, Dist. Mehsana, Gujarat	a.	B-87, R S No. 471/P, Village - Lumbe, Taluka - Kaljapur, Dist. Jamnagar.
7	Solvent Extraction Unit-IV Pithampur, Dist. Dhar (M.P.)	b.	WTG No. 1, Survey No. 400, Village - Kuranga, Taluka - Dwarka, Dist. Jamnagar.
8	Solvent Extraction Unit - V Jaipur, Rajasthan	c.	WTG No. 2, Survey No. 400, Village - Kuranga, Taluka - Dwarka, Dist. Jamnagar.
		d.	WTG No. 3, Survey No. 400, Village - Kuranga, Taluka - Dwarka, Dist. Jamnagar.

SCHEDULE OF ANNUAL GENERAL MEETING

Date : 9th September, 2006 Day : Saturday
Time : 11.00 A.M.
Venue : GICEA (Gajjar Hall), Nirman Bhavan,
Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006.

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LAST FIVE YEARS AT A GLANCE

(Rs. in Crores)

Particulars	Years				
	2005-06	2004-05	2003-04	2002-03	2001-02
OPERATING RESULTS :					
Total Sales	1299.24	1114.16	1076.78	613.50	520.81
(Including Exports FOB)	387.38	402.81	504.28	218.33	251.27
Other Income	0.50	0.13	0.87	1.94	0.66
TOTAL REVENUE	1299.74	1114.29	1077.75	615.44	521.47
OPERATING PROFIT (PBDT)	76.88	60.82	57.42	35.32	20.65
Financial Expenses	7.42	6.06	5.11	5.84	7.71
Depreciation	25.77	23.58	19.75	16.38	8.54
Tax Provisions	15.19	4.07	7.19	2.43	1.59
Net Profit	30.31	26.91	25.37	11.86	2.61
NET WORTH:					
Share Capital	27.86	27.86	27.86	23.76	29.98
Reserves & Surplus	234.69	209.19	184.77	161.34	151.33
DTL	35.60	25.10	21.96	15.66	18.16
Total Net Worth (Incl. DTL)	296.15	261.15	233.99	200.78	194.47
Gross Fixed Assets	355.76	288.79	237.80	237.94	229.68
Net Fixed Assets	215.42	179.99	144.25	164.10	175.31
Dividend (%)	12	11	10	6	6

Note : (1) W.e.f. 1.4.97 Gujarat Ambuja Cotton Ltd. & Gujarat Ambuja Proteins Ltd. were amalgamated with Gujarat Ambuja Exports Limited.
(2) W.e.f. 1.4.03 Jupiter Biotech Ltd. (Earlier known as Gujarat Vita Pharma Ltd.) was amalgamated with Gujarat Ambuja Exports Limited.
(3) W.e.f. 16.01.2005 equity shares of Rs. 10/- each were sub-divided into Rs. 2/- each.

(Interim)



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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION

To,
The Members,
Gujarat Ambuja Exports Limited.
We have pleasure in presenting our 15th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2006.

FINANCIAL HIGHLIGHTS

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

PARTICULARS	2005-2006	2004-2005
GROSS TOTAL TURNOVER	1298.43	1125.76
INCLUDING EXPORTS(F.O.B.)	387.38	402.81
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES	76.69	60.62
LESS :		
INTEREST & FINANCE CHARGES	7.42	6.06
DEPRECIATION	23.77	23.58
PROVISION FOR TAXATION (INCL.DEFERED TAX)	15.19	4.07
NET PROFIT FOR THE YEAR	30.31	26.91
ADD :BALANCE OF THE PROFIT CARRIED FROM EARLIER YEAR	67.39	46.97
TOTAL PROFIT AVAILABLE FOR APPROPRIATION	97.70	73.88
APPROPRIATED AS UNDER		
DIVIDEND(12% P.A.), (P.Y. 11% P.A.)	3.34	3.06
PROVISION FOR DIVIDEND DISTRIBUTION TAX	0.47	0.43
TRANSFER TO GENERAL RESERVE	4.00	3.00
TOTAL APPROPRIATION	7.81	6.49
BALANCE CARRIED TO BALANCE SHEET	89.89	67.39

DIVIDEND
The over all performance of the company has been satisfactory and the company is on take off stage entering into high growth phase. Considering the investment into new projects made during the year 2005-06 and also huge capital expansion projects envisaged for the year 2006-07, the Directors are pleased to recommend a dividend at 12% p.a. for the financial year 2005-06 (that is Rs. 0.24 paise per equity share of Rs. 2/- each). The dividend will be paid to the members whose names appear on the register of members on 9th September, 2006 and for shares held in dematerialized form, as per data of beneficiary shareholders for the said purpose provided by depositories, subject to the approval at the ensuing Annual General meeting.

CAPITAL

During the year under review, the Authorised Share capital of the Company was increased from Rs.30 Crores to Rs.50 Crores and the Equity Shares of Rs.10/- each of the Company were sub-divided into Equity Shares of Rs.2/- each.

After increase of Authorised Share capital and sub-division of Equity Shares, the Authorised Share Capital of the Company is Rs.50 Crores divided into 25,00,00,000 Equity Shares of Rs.2/- each and the Issued, Subscribed and Paid up capital remains at Rs. 27,86,36,980/-, now divided into 13,93,18,490 Equity Shares of Rs.2/- each.

PERFORMANCE REVIEW FOR THE YEAR 2005-06

During the year under review the company implemented various capital projects including expansion & modernization of the existing facilities at the 100% EOU Cotton Yarn Mill as well as Maize Processing Division.

Besides, the company also replaced the existing diesel generating sets with Furnace Oil based generating sets at the 100% EOU Cotton Yarn Mill as well as at the Solvent Extraction Division at Kadi. Further the company through its in-house expertise carried out a major de-bottle necking at the existing Maize Processing plant whereby through replacement of critical machines we were able to achieve the rated capacity at 500 Tons Per Day.

Complimenting this effort to equip the company with latest technology and modern machines, the company was able to improve capacity utilization at all plants.

CAPITAL PROJECTS FOR THE YEAR 2005-06

Windmills

During the financial year 2005-06, the company entered into Windmill business and invested a sum of more than Rs. 16 Crores to set up 4 (four) Windmills of the total installed capacity of 3.65 MW. All these windmills were set up in Gujarat.

All these windmills have become operational & have started generating wind energy. The company has projected a total pay back period of less than 6 years for the above investments.

Expansion to the Cotton Yarn Segment

The company modernized various equipments at the existing 100% EOU Cotton Yarn Mill. Simultaneously the company also set up a whole range of plant & machineries for expansion by setting up of 13000 spindles which are capable of generating the production of Cotton Yarn of 13 tons per day. These latest technology plants are very efficient & cost effective in terms of Speed, quality of Yarn produced and productivity.

Expansion to the Bio Chemical Segment

The company carried out upgradation and modernization of equipments at the existing Maize Processing plant and thereby has been able to de-bottle neck the plant to increase its production to 500 tons per day, the rated capacity of the plant.

Thus, in all, the company invested more than Rs. 74 Crores in new projects.

The company also disposed off old assets of gross block of Rs. 5 Crores, which were replaced during the year under consideration.

OPERATIONAL PERFORMANCE

Agro Processing Division

The Company's Agro Processing Division includes Solvent Extraction of Edible Oil Seeds, Edible Oil Refining, Maize Processing, Wheat Processing and Cattle Feed manufacturing. These activities saw a jump in volumes as well as in turnover and the company improved its performance over the last year. Total top line growth was about 18%.

The raw material prices were favourable. However, margins were under pressure because of increasing input cost as well as increase in cost of electricity, Steam and other consumables. In spite of this, the company was able to perform better as compared to last year.

Cotton Yarn Division

The Company's Cotton Yarn Division has been a consistent performer and it has registered an increase in volumes by almost 5% during the year under consideration. The over all top line did not register any increase as the international price of cotton yarn were under pressure.

The margins of the company improved substantially as the cotton price were down by almost 14% as compared to last year.

The company was also able to improve its operational efficiency by increasing productivity through modernization of plants & equipments and the company was able to increase profitability by reducing the cost of electricity by changing fuel from diesel to Furnace Oil.

Windmills

The company has set up windmills during this year and the performance of the windmills has been satisfactory.

Overall Analysis

On overall analysis, the performance of the company for the year under consideration has been better as compared to that of last year. With the increased profitability and the measures taken for reducing the cost, the company hopes to improve its performance further for the year 2006-07.

NEW PROJECTS FOR THE YEAR 2006-07

Maize Processing Plants

The company has ambitious plans for setting up 2 Green Field projects of Maize Processing each of 500 TPD as under.

Maize Processing plant Near Nasik (Maharashtra).

Maize Processing plant at Uttaranchal.

The Project at Maharashtra also envisages to produce Ethanol & Extra Neutral Alcohol (ENA) for which the company has already applied for the permission and approvals.

The project at Uttaranchal is expected to give Excise & Income Tax benefits to the company.

The Company expects to invest a total sum of Rs. 105 Crores on these projects.

Cotton Yarn Division

The company also has ambitious plans to modernize 30000 Spindles at the existing 100% EOU Cotton yarn Spinning mill and also set up another Cotton yarn mill with the capacity of 30000 Spindles in the vicinity of the existing mill.

Windmills

During the year 2006-07 the company has placed orders to set up additional windmill of a total capacity of 3.3 MW with a total project Cost of Rs. 15.83 Crores. The above windmills are expected to be commissioned and be operative very shortly.

The company has further plans to set up additional windmills and also set up Captive Power Generation for the new Cotton Yarn Mill to be set up.

In all, the company has plans to invest a sum of more than Rs. 300 Crores during the next 18 months.

OUTLOOK FOR THE YEAR 2006-07

The year has begun well and in the first quarter ended on 30-06-2006 the company registered a turnover of Rs. 302 Crores as against the turnover of Rs. 284 Crores of the corresponding period last year.

Similarly, for the quarter ended on 30-06-2006, the company has registered a cash profit of Rs. 21 Crores as against Rs. 19 Crores for the corresponding quarter last year.

The company expects to improve its performance as the company has taken all the steps to not only increase the effective capacity utilization but also to optimize efficiency & productivity of every plant during the last 2 years.

The company expects to improve over all operational margins.

As regards the financials, the company has been able to tie up for finance at reasonable rates and over all finance cost has been below 6.5% per annum on the funds available through EPC/ PCFC/ Import L/C facilities.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS (Including aspects of Performance, Opportunities, Threats & Industries' Analysis)

Corporate Governance

The Company continues to comply with the requirements of the Listing Agreement with the Stock Exchanges where the Company's shares are listed. A separate report on Corporate Governance, along with a certificate from the Auditors confirming the compliance is annexed and forms part of the Directors' Report.

Management Discussion and Analysis

Overall Review of Economy

Economic Outlook

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

India's ranking in Global Agriculture

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

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

The Company

The year 2005-06 witnessed further consolidation by the company in all its business activities. The company was able to achieve a higher turnover at Rs. 1298 Crores as compared to Rs. 1126 Crores of the previous year thereby registering an increase of almost 15.27%.

The export for the year under consideration was steady at Rs. 387 Crores as compared to Rs. 403 Crores last year as the company penetrated further in domestic market for Maize Based products and Edible Oil.

Segment wise Performance

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

Cotton Yarn

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



GUJARAT AMBUJA EXPORTS LIMITED

The company was able to improve its presence in the world market and the over all exports in quantity terms. Enthused with the performance and the increasing demand, the company set up additional 13000 spindles of the latest technology with high speed to ensure better productivity and quality of the yarn. Besides the company also carried out modernization of the existing equipments and plants to improve productivity and quality. The company has now 73000 spindles mill under one roof at its fully airconditioned plant.

The company has been able to improve profitability because of change over in the fuel for generating electricity as well as by procuring local cotton, which was available at a cheaper rate as compared to the imported cotton, while, quality of the local cotton was better. The company has decided to carry out further modernization & expansion during the year 2006-2007.

Other Agro Processing activities

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

Besides the company focused on improving volumes for Maize Processed products as there are better margins in maize processing as compared to solvent extraction and edible oil refining. The company also continued its penetration in domestic market for sales of maize based products and has set up marketing net work in more than 17 states in India. The company's products like Sorbitol, Malt Dextrine Powder, Dextrose Monohydrate, Liquid Glucose & Starch have wide acceptance amongst industrial as well as retail consumers.

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

SUBSIDIARY COMPANY AND CONSOLIDATED ACCOUNTS

The statement under Section 212 of the Companies Act, 1956 in relation to the subsidiary company M/s. Gujarat Ambuja International Pte. Ltd, Singapore is enclosed herewith. The accounts of the Subsidiary company as redrafted in accordance with the provisions of the Companies Act, 1956 in Indian context are also enclosed. Further the Company has also prepared the Consolidated statement of accounts as required by the Accounting Standard 21 and the said statements as audited are also being published for the benefit of the shareholders.

CAUTIONARY STATEMENT

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

FINANCE AND INSURANCE

Working Capital

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

Term Loans

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

The company is seeking disbursement of loans sanctioned by IREDA of Rs. 11.44 Crores and is seeking further loan from IREDA for the new windmills being set up.

The company is also tying up for further term loan for the new project of Cotton Yarn Spinning Mill and modernization of the existing Cotton Yarn Mill.

As per the estimates by the company, the company expects long-term debt equity ratio in the range of 0.9 after the new projects are in place. This would help in optimum utilization of the financial leverage available.

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

The Company has not accepted any deposit by invitation to the public at large during the year under report.

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

At present, Equity Shares of the Company are listed on the Stock Exchange Ahmedabad, the Stock Exchange, Mumbai and National Stock Exchange of India Limited. The Company has duly paid annual Listing fees due for the year 2006-2007 to respective Stock Exchanges.

Dematerialisation

The Equity Shares of the Company are under compulsory demat from 24/7/2000. The Company has already entered into agreement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) and new ISIN No. INE036B01022 has been allotted to the Company for sub-divided Equity Shares of Rs.2/- each.

THE DIRECTORS AND OTHER EXECUTIVES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) that in respect of the accounts for the financial year ended 31st March 2006, the applicable accounting standards have been followed;
- (2) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 of the Company for the year under review;
- (3) that the Directors have taken proper and sufficient care for the maintenance of adequate

accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (4) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2006 on a 'going concern' basis.

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

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

PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

There is no employee drawing more than Rs. 24,00,000 per annum, where employed for full year or Rs. 2,00,000 per month, where employed for a part of the year and hence provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

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

AUDITORS AND AUDITORS' REPORT

You are requested to appoint M/s Kantilal Patel & Company, Chartered Accountants and the present Auditors of the Company to hold the office from conclusion of this Annual General Meeting until the conclusion of the next Annual General meeting. They being eligible for re-appointment have furnished Certificate U/s. 224(1)(B) of the Companies Act, 1956 that the appointment if made at the ensuing Annual General Meeting will be within the limits specified.

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place: Ahmedabad

Date : 22nd July, 2006

Vijay Kumar Gupta
Chairman & Managing Director

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

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

I confirm that the Company has in respect of the financial year ended March 31, 2006, 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, 2006.

Place: Ahmedabad

Date : 22nd July, 2006

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	31.03.2006 (Period 01.04.2005 to 31.03.2006)
2. The Company's interest in the Subsidiaries as on 31st March 2006 :	
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 31.03.2006	
i) Not dealt within the books of Accounts of the Company	Profit 129304 (Sing. Dollar)
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	Loss (-) 165786 (Sing. Dollar)
ii) Dealt within the books of Accounts of the Company	Nil

For and on behalf of the Board

VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)
MANISH GUPTA
(MANAGING DIRECTOR)
KAUSHIK C. KHONA
(CFO & COMPANY SECRETARY)

PLACE: AHMEDABAD

DATE : 22nd July, 2006

HAVE YOU ENCASHED ALL YOU DIVIDEND WARRANTS IN THE PAST - PLEASE CHECK



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ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Board of Directors Report) Rules, 1988 and forming part of the Directors' Report for the Financial Year Ended 31.03.2006.

CONSERVATION OF ENERGY

(1) Energy Conservation measures taken

- The Company has formed a strong technical department headed by a senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technological up gradation of plant & machinery, in various units. The Company has installed energy efficient devices in the new projects also.
- The Company, as a standalone and major initiative to conserve energy, has started investing in Wind Energy. During the year under consideration it installed four wind mills with capacity of 3.65 MW at a total cost of Rs 16.53 crores. This will help in generating energy as environmental friendly measures and also reduce carbon emission in the atmosphere.

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

FORM -A		2005-2006	2004-2005
A) POWER AND FUEL CONSUMPTION :			
1) Electricity			
a) Purchased			
Unit		18189876	12917168
Total Amount (Rs.)		82712130	64438835
Rate/Unit (Rs.)		4.55	4.99
b) Own Generation			
i) Through Diesel Generator			
Unit		16362623	15917803
Unit per Ltr of Diesel Oil		3.94	3.29
Cost/Unit (Rs.)		5.18	4.19
ii) Through Steam Turbine /generator			
Unit		15727312	1057677
Unit per Kg of Coal		0.41	0.05
Cost/Unit		4.54	32.69
iii) Through Furnace Oil Generator			
Unit		38637700	N.A
Unit per Kg of Furnace Oil		4.49	N.A
Cost/Unit		2.87	N.A
2) Coal (Used for Steam Generation)			
Quantity (MT)		33240.560	43212.707
Total Cost (Rs.)		80736055	69324446
Average rate		2428.54	1604.26
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.

FORM -B		2005-2006	2004-2005
[B] Consumption per unit of production			
Agro Processing Unit			
(Cost per Metric Ton of Production)			
1) Electricity		388.66	382.97
2) Coal		207.96	210.64
3) Furnace Oil		N.A.	N.A.
4) Diesel		N.A.	N.A.
5) Others		N.A.	N.A.
Cotton Yarn Unit			
(Cost per Kg of Production)			
1) Electricity		13.64	15.86
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 REQUEST TO ABSORPTION

a) Research & Development (R&D)

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

	2005-2006	2004-2005
(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

- 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.
- 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.
- Information regarding technology imported during last five years : Not Applicable

c) Foreign Exchange earning/outgo

	2005-2006	2004-2005
Foreign Exchange Earned	RS.	RS.
FOB Value of Sales (Including Warehouse Charges)	3873849997	4028088153
Sales of Assets	NIL	NIL
Total	3873849997	4028088153

Foreign Exchange Used			
Capital Goods (CIF Value)		123568829	13391280
Purchases (CIF Value)		3284683306	1746093889
RM, Stores & Consumables (CIF Value)		348769271	356553119
Foreign Traveling, Interest, Bank Charges etc.		50428352	47408563
Exports Claims		1612710	24526508
Overseas Commission		345851	6818653
Membership & Subscription		539143	297546
Total		3809947462	2195089558

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 31st March, 2006, 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 Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the effectiveness with which the management has conducted the affairs of the company.

For, KANTILAL PATEL & CO.,
CHARTERED ACCOUNTANTS
[Ashwin Amin]
Partner

Place: Ahmedabad
Date : July 22, 2006

Membership No.: 35070

CORPORATE GOVERNANCE

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 our dealings with our 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 not merely compliance and not simply a matter of creating checks and balances, which we indeed do- it 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. During the year, the Company has fine tuned its corporate practices so as to bring them in line with the revised Clause 49 of the listing agreements. The Company adopted the Code of Conduct and Business Ethics for Employees, Board Members and Senior Managerial Personnel and also the Whistle Blower Policy as prescribed in the revised clause.

Above all else, 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

The present strength of Board of Directors is Eleven (11). The Company has Executive Chairman and out of Eleven (11) Directors on the Board, 8 (Eight) Directors (more than 50%) are Non-executive Directors. Besides 6 (six) Directors (more than 50%) are independent Directors.

(A) The names and categories 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 are given below

Name of Director	Category	Attendance Particulars		No. of Directorships and Committee membership/ chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Chairman ships
Vijay Kumar Gupta	Executive Director & Promoter	7	Yes	3	1	Nil
Manish V Gupta	Executive Director & Promoter	7	Yes	6	Nil	Nil
Sulochana V Gupta	Non-Executive Director & Promoter	7	No	2	Nil	1
Parshottam G Makhija	Executive Director & Non Independent Director	7	Yes	1(Pvt.Ltd.)	Nil	Nil
Sandeep N Agrawal	Non-Executive & Independent Director	7	Yes	None	2	Nil
Jagdishsharan Varshneya	Non-Executive & Independent Director	7	Yes	14 (Incl: 6 Pvt. Ltd.)	Nil	4
Chaitan M Maniar	Non-Executive & Independent Director	5	No	20 (incl: 7 Pvt.Ltd.)	9	1
Prakash G Ramrakhiani	Non-Executive & Independent Director	7	Yes	4 (Incl.: 1 Pvt. Ltd)	1	Nil
Ashok C Gandhi	Non-Executive & Independent Director	6	No	9	9	Nil
Rohit J Patel (Appointed 30.07.05)	Non-Executive & Independent Director	4	Yes	2	Nil	Nil
Mohit V Gupta (Appointed 30.07.05)	Non-Executive and Non Independent Director	4	No	Nil	Nil	Nil

For the purpose of reckoning number of committee membership and chairmanship, membership and/or chairmanship of only Audit Committee and Shareholders' Grievances Redressal Committee of each director has been taken into consideration as required under 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 2005-06, seven (7) meetings of the Board of Directors were held on the following dates.

Sr.No	Date of Meeting	Sr.No.	Date of Meeting (contd.)
1	30.04.2005	5	22.10.2005
2	09.06.2005	6	29.12.2005
3	30.07.2005	7	18.01.2006
4	22.09.2005		

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



GUJARAT AMBUJA EXPORTS LIMITED

Dates for the Board Meetings are decided well in advance and communicated to the Directors. Board 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.

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 2005-06, 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.

As required under Clause 49 IV(G)(i), particulars of Directors retiring by rotations and seeking reappointment are given in the Notes to the Notice of the Annual General Meeting to be held on 9th September, 2006

3. Audit Committee

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 31st January 2001 and was reconstituted from time to time. Last re-constitution was made at the meeting of Board of Directors held on 30th September, 2003.

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.

The composition of the Audit Committee is 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. 2005-06 are given below:

Name of Members	Category	No. of Meetings attended during F.Y. 2005-06
Shri Jagdish Sharan Varshneya, Chairman	Independent, Non Executive Director	6
Shri Sandeep N. Agrawal, Member	Independent, Non Executive Director	6
Shri Ashok C. Gandhi	Independent, Non Executive Director	5

Shri Jagdish Sharan Varshneya, Chairman of the Audit Committee was present at the Annual General Meeting held on 22nd September, 2005.

Shri Kaushik C Khona, Chief Financial Officer and Company Secretary acts as the secretary of the committee. Audit Committee meetings are attended by Chief Financial Officer, Representatives of Statutory Auditors and Managing Director as Invitee.

During the F.Y. 2005-06, 6 (six) meetings of the Audit Committee were held on 30.04.2005, 09.06.2006, 30.07.2005, 22.09.2005, 22.10.2005 & 18.01.2006.

4. Whistle Blower Policy

The Audit Committee and Board of Directors of the Company at their respective meetings held on 22nd October, 2005, approved Whistle Blower Policy that 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 behaviour, actual or suspected fraud and violation of the Company's Code of Conduct and Business Ethics. The Whistle Blower Policy is an extension of the Code of Conduct and Business Ethics adopted by the Company, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. 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

The Company has constituted the Remuneration Committee 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 30th March, 2002 and was re-constituted from time to time. Last re-constitution was made at the meeting of Board of Directors held on 30th September, 2003. During the year under report, the constitution of Remuneration Committee was as under:

Shri Ashok C. Gandhi : Chairman
Shri Sandeep N. Agrawal : Member
Smt. Sulochana V. Gupta : Member

During the F.Y. 2005-06, two (2) meetings of Remuneration Committee were held on 09.06.2005 and 22.09.2005. Meeting held on 09.06.2005 was attended by all members whereas at the meeting held on 22.09.2005, leave of absence to Shri Ashok C. Gandhi was granted.

The Company while deciding the remuneration package of the Executive Directors takes into consideration the following :

- (i) Contribution of Executive Directors in the growth and progress of the Company
- (ii) Remuneration package of the industry

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 22nd September, 2005, shareholders approved payment of sitting fees of 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. There is no stock options issued by the Company.

The details of remuneration (Including taxable value of perquisites) and sitting fees paid for attending meetings of Board of Directors and Committees thereof during the year 2005-06 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	Vijay Kumar Gupta - Chairman & M. D.	1809360	Nil	Nil	Nil	1809360	3 months Nil
2	Manish V. Gupta - Managing Director	1809360	Nil	Nil	Nil	1809360	3 months Nil
3	Sulochana V Gupta	Nil	Nil	Nil	47500	47500	Nil
4	Parshotam G Makhija Executive Director	1002640	Nil	Nil	Nil	1002640	3 months Nil
5	Sandeep N. Agrawal	Nil	Nil	Nil	77500	77500	Nil
6	Jagdish Sharan Varshneya	Nil	Nil	Nil	67500	67500	Nil
7	Chaitan M Maniar	Nil	Nil	Nil	22500	22500	Nil
8	Prakash G Ramrakhiani	Nil	Nil	Nil	37500	37500	Nil
9	Ashok C. Gandhi	Nil	Nil	Nil	55000	55000	Nil
10	Rohit J Patel	Nil	Nil	Nil	30000	30000	Nil
11	Mohit V Gupta	Nil	Nil	Nil	30000	30000	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 30th 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 / inquiries of the shareholders'/ Investors' who redress the grievances/ complaints of shareholders'/ Investors' under the supervision of Shri Kaushik C Khona, CFO & Company Secretary and Compliance Officer of the Company.

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

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. 2005-06
Smt. Sulochana V Gupta, Chairman	Promoter, Non-Independent, Non- Executive	29
Shri Vijay Kumar Gupta, Member	Promoter, Non-Independent, Executive	29
Shri Sandeep N. Agrawal, Member	Independent, Non Executive Director	29

(b) Details of Complaints received and redressed during the year 2005-06

Sr. No	Particulars	Opening Balance as on 1.4.2005	Received During the year	Redressed During the year	Pending as on 31.03.2006
1	Non-receipt of Dividend/ Interest, Revalidation etc.	Nil	177	177	Nil
2	Non receipt of Share Certificate etc.	Nil	180	180	Nil
3	Non receipt of Annual Report, Interest on delayed refund, dividend, interest	Nil	7	7	Nil
4	Others	Nil	29	29	Nil
	Total	Nil	393	393	Nil

(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 Rematerialisation of Shares |
| f) Change of Name | |

(d) Appointment of Compliance Officer

The Company appointed Mr. Kaushik C Khona, Chief Financial Officer and Company Secretary 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 2005-06 as under. Due to sub-division of Equity Shares from Rs.10/- each to Rs.2/- each, Number of shares for the full year has been restated at Rs. 2/- each.

Sr. No.	Particulars	No. of cases	No. of Shares Involved (As restated for shares of Rs. 2/- each)
1	Transfer	2278	1384035
2	Transmission	134	125900
3	Split	276	3355295
4	Duplicate	32	27750
5	Demat request approved-NSDL	5752	4279765
6	Demat request approved-CDSL	1134	800825
7	Remat request approved-NSDL	4	1090
8	Remat request approved- CDSL	Nil	Nil

As on 31st March, 2006, out of the total 13,93,18,490 Issued, Subscribed and Paid up Equity shares of Rs.2/- each of the Company, 36.45% have been demated (net of remat) through NSDL and CDSL. There were four (4) remat request for 1090 shares during the year.

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 31.03.2006.

7. General Body Meetings

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

Year	Date	Time	Venue
2002-03	30.09.2003	12.30 p.m.	Dinesh Hall, Nr. Income Tax Circle, Off. Ashram Road, Ahmedabad-380009
2003-04	23.09.2004	11.00 a.m.	GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad-380006.
2004-05	22.09.2005	11.00 a.m.	GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad-380006.

b) Extra Ordinary General Meeting

During the F.Y. 2005-06, Extra Ordinary General Meeting was held on 29th December, 2005 at 11.00 a.m. at the GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad 380006

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

Special Business	Type of Resolution passed	Date of Meeting
Appointment of Shri Prakash G Ramakhiani as Director of the Company	Ordinary Resolution	30.09.2003
Appointment of Shri Ashok C Gandhi as Director of the Company	Ordinary Resolution	30.09.2003
Re-appointment of Shri Manish V Gupta as Managing Director	Ordinary Resolution	30.09.2003
Authority to issue and allot 41,40,000 Equity Shares of Rs.10/- each	Special Resolution	30.09.2003
Authority to delist Equity Shares from Delhi and Jaipur Stock Exchanges	Special Resolution	30.09.2003
Revision in terms of remuneration of Shri Vijay Kumar Gupta, Chairman and Managing Director	Ordinary Resolution	23.09.2004
Revision in terms of remuneration of Shri Manish V. Gupta, Managing Director	Ordinary Resolution	23.09.2004
Re-appointment of Shri Parshotam G Makhija as an Executive Director	Ordinary Resolution	23.09.2004
Revision in terms of Remuneration in the form of sitting fees to Non- Executive Directors of the Company	Ordinary Resolution	22.09.2005
Appointment of Shri Rohit J Patel as Director of the Company	Ordinary Resolution	22.09.2005
Appointment of Shri Mohit V Gupta as Director of the Company	Ordinary Resolution	22.09.2005
Sub-division of Equity Shares from Rs.10/- each to Rs.2/- each	Ordinary Resolution	29.12.2005
Increase in Authorised Share Capital from Rs.30 Crores to Rs. 50 Crores and consequential amendment in Clause V of Memorandum of Association	Ordinary Resolution	29.12.2005
Authority for Further Issue of Shares U/s. 81 (1A) of the Companies Act, 1956	Special Resolution	29.12.2005
Alteration of main object clause of Memorandum of Association by insertion of New object clauses	Special Resolution-postal ballot	Results declared on 29.12.2005

d) Postal Ballot

During the year under review, the Company obtained the approval of Members, through Postal Ballot for alteration of Main Object Clause of the Company by insertion of new object clauses in the Memorandum of Association of the Company and commencement of new businesses at an appropriate time by way of special resolution. Salient features of the Postal Ballot are provided below :

- The Board of Directors of the Company, at its meeting held on 22nd October, 2005, appointed Mr. Umesh Ved, Practising Company Secretary as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.
- Notice alongwith Postal Ballot form and pre-paid self-addressed envelope was dispatched to the Members whose names appeared on the Register of Members on 22nd October, 2005 and such dispatch was made under certificate of posting (U C P) and the dispatch was completed on 19th November, 2005.
- The Notice was also published in The Indian Express (English) and Financial Express (Gujarati) informing postal ballot, completion of postal ballot and other matters to the members of the Company.
- The last date of receipt of Postal Ballot forms was 26th December, 2005.
- The Postal Ballot forms received were kept in the boxes sealed by the Scrutinizer.
- The Scrutinizer, after verification of Postal Ballots, submitted his Report to the Chairman of the Company on 28th December, 2005 and the results of the Postal Ballot process was declared by the Chairman on 29th December, 2005 at the Extra Ordinary General Meeting of the Company and the same as also informed to the Stock Exchanges where shares of the Company are listed.
- The results of the postal ballot process was as under:

Particulars	No. of Postal Ballot forms	No. of Shares	% of total paid up equity capital	% of total valid postal ballot
(a) Total Postal Ballot forms received	851	18231061	65.43	
(b) Less: Invalid Postal Ballot forms	72	9656	0.03	
(c) I Net Valid Postal Ballot forms	779	18221405	65.40	100.00
(d) Less: Out of valid postal ballot votes not exercised		983	0.01	0.01
(e) Net Valid postal ballots with voting exercised	779	18220422	65.39	99.99
(f) Postal ballot forms with assent (favour) for the Resolution	758	18218170	65.38	99.98
(g) Postal Ballot with dissent (against) for the resolution	21	2252	0.01	0.01

The Special Resolution referred to above was carried by overwhelming majority.

No special Resolution requiring postal ballot is being proposed for the ensuing Annual General Meeting.

8. a. Disclosures

- 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 31st March, 2006.
- 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.
- 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 behaviour. No personnel has been denied access to the Chairman of the Audit Committee.
- 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 :
 - The Company has set up a remuneration Committee. Please see Para 5 for details.
 - The Company has moved towards a regime of unqualified financial statements.
 - 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.

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 shortly after its submission to the Stock Exchange.

Presentation to Institutional Investors or to analysts

Official news releases and presentations 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 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, Registrars and share transfer agent. Investors can also submit their queries and get feedback through online interactive forms. The section on 'News and Media' includes all major press reports and releases.

10. Shareholders' Information

i. Annual General Meeting

Day, Date & Time : Saturday, the 9th September, 2006 at 11.00 A.M.
Venue : GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad : 380006

ii. Financial Calendar : (2006-2007) (Tentative)

Financial year : April-March
Annual General Meeting : September, 2007
Results for Quarter Ending on :
30th June, 2006 : 22nd July, 2006
30th September, 2006 : End of October, 2006
31st December, 2006 : End of January, 2007
31st March, 2007 : End of April, 2007

iii. Book Closure Dates

Closure of Register of Members : 1st September, 2006 to
And Share Transfer Books : 9th September, 2006

iv. Dividend Payment Date

The Board of Directors at its meeting held on 22nd July, 2006, recommended dividend @ 12% p.a. for F.Y. 2005-06, which if approved at the ensuing Annual General Meeting by the members of the Company will be paid to eligible shareholder/ beneficial owner after 9th September, 2006 within prescribed time.

v. Listing of Securities on the Stock Exchanges

The Equity Shares of the Company are listed on Ahmedabad, Mumbai and National Stock Exchange and listing fees for the Financial year 2006-07 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
Kamdheni Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad-380015
E-mail: ase@satyam.net.in

Bombay Stock Exchange Limited
P.J. Towers, Dalal Street, Mumbai-400 001 • E-mail: isc@bseindia.com

National Stock Exchange of India Limited
Tradeworld, Senapati Bapat Marg, Lower Parel, Mumbai-400013
E-mail: postmaster@nse.co.in

vi. Stock Code

Name of the Exchange	Code
The Stock Exchange, Ahmedabad	20230 -"GUJAMBEX"
The Stock Exchange, Mumbai	24226-Normal, 524266-Rolling Segment
National Stock Exchange of India Limited	Symbol: "GAEL" Series BT



GUJARAT AMBUJA EXPORTS LIMITED

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

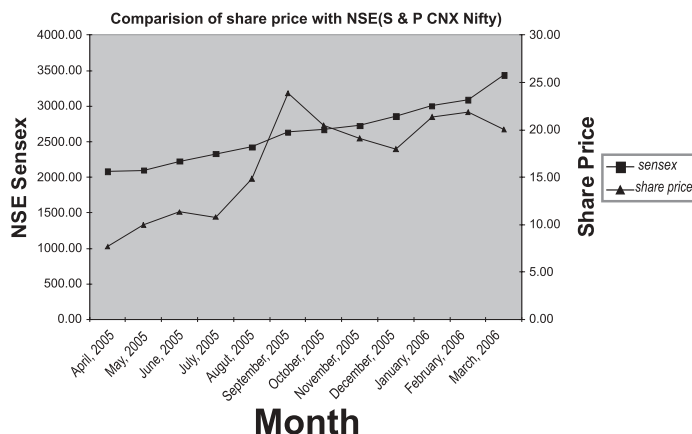
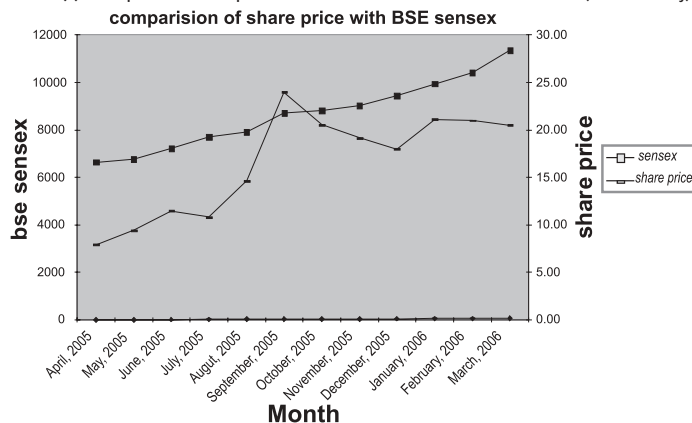
(a) Monthly Share price movement during F.Y. 2005-06 on BSE and NSE

Month	Mumbai Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Highest	Lowest	Highest	Lowest
April, 2005	39.50	31.00	38.40	31.20
May, 2005	47.20	32.20	49.95	32.05
June, 2005	57.35	42.20	56.65	42.00
July, 2005	54.10	47.35	54.00	47.10
August, 2005	73.15	51.05	74.30	51.00
September, 2005	119.80	65.55	119.45	65.55
October, 2005	102.80	81.00	102.50	81.45
November, 2005	95.75	80.00	95.40	81.25
December, 2005	89.90	80.30	90.00	81.00
January, 2006	105.55	91.00	106.70	90.00
(upto 5.1.2006) (Refer Note:2)				
January, 2006	20.90	16.90	20.70	16.95
(from 6.1.06) (Refer Note:2)				
February, 2006	21.00	17.25	21.90	17.10
March, 2006	20.50	17.55	20.05	18.05

Note: 1. Ahmedabad is Regional Stock Exchange. However, stock market data of the exchanges where volume was high has been considered.

2. The quotation of equity shares of the Company upto 5th January, 2006 are of equity shares of Rs. 10/- each, i.e. before sub-division of equity shares into Rs. 2/- each.

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



Note: The share prices have been adjusted from Rs.10/- to Rs.2/- for full F.Y. 2005-06 due to sub-division of Equity Shares with ex date from 6th January, 2006

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, P.O. Navjivan, Ahmedabad-380 014
Phone: 079-26423316-20, Fax: 079-26423079 Email: jayvijay@ambujagroup.com

ix. Share Transfer System

The Company has conducted 30 meetings of the sub-committee of the Board of Directors of the Company during the last financial year 2005-06. Even though the shares of the Company are under compulsory demat from 24.7.2000, 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 31st March, 2006 (including demat)

No. of Equity Shares held	No. of Share holders	% of share holders	No. of Shares held	% of Share-holding
001 to 500	61370	99.344	37617338	27.001
501 to 1000	267	0.432	1914533	1.374
1001 to 2000	72	0.117	1021396	0.733
2001 to 3000	28	0.045	702935	0.505
3001 to 4000	4	0.006	137132	0.098
4001 to 5000	10	0.016	442015	0.317
5001 to 10000	6	0.010	463126	0.332
10001 & above	18	0.030	97020015	69.640
Total	61775	100.000	139318490	100.000

(b) Shareholding Pattern of the Company as on 31.03.2006 (including Demat)

Category of Holders	No. of Shares	% to total shares
Promoters/Directors & Relatives	87930320	63.114
Financial Inst./Mutual Fund/Banks/	88220	0.063
Non-Residents/FIIs/ OCBs	713772	0.512
Other Corporate Bodies	9536376	6.845
Indian Public	41049802	29.466
Total	139318490	100.00

(c) Shareholding of Non Executive Directors as on 31.03.2006

Name of Non Executive Directors	No. Shares	% to total shares
Smt. Sulochana V Gupta	4485385	3.220
Shri Jagdish Sharan Varshneya	1500	0.001
Shri Chaitan M. Maniar	Nil	Nil
Shri Prakash G Ramrakhiani	Nil	Nil
Shri Ashok C Gandhi	Nil	Nil
Shri Sandeep N Agarwal	Nil	Nil
Shri Rohit J Patel	Nil	Nil
Shri Mohit V Gupta	9017095	6.472

There were no convertible instruments pending conversion into Equity Shares as on 31.03.2006

xii. Dematerialisation of Shares and Liquidity

On 31st March 2006 out of 13,93,18,490 Issued, Subscribed and Paid Up Capital Equity Shares of Rs.2/- each, 36.45% Equity Shares (net of remat) have been dematerialised. As per notification issued by SEBI with effect from 24/7/2000 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.

xiii. 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. Plant Locations

Ann. 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	9	Solvent Extraction Unit VI, N.H.No.6, Akola-Balapur Road, Vil.Kanheri, Gawali, Maharashtra
2	Bio-Chemical Division (Maize Processing) Vil.Dalpur, Dist. Sabarkantha,Gujarat	10	Wheat Processing Unit Kadi, Dist. Mehasana, Gujarat
3	Edible Oil Refineries & Vanaspati Ghee Unit Kadi, Dist. Mehsana,Gujarat	11	Cattle Feed Unit Kadi, Dist. Mehasana, Gujarat
4	Solvent Extraction Unit-I Nani Kadi, Dist Mehsana,Gujarat	12	Wheat Processing Unit Pithampur, Dist Dhar (M.P)
5	Solvent Extraction Unit-II Kadi, Dist. Mehsana,Gujarat	13	Wind Mills (Gujarat) a. B-87, R S No. 471/P, Village - Lamba, Taluka - Kalyanpur, Dist Jamnagar.
6	Solvent Extraction Unit-III Kadi, Dist.Mehsana, Gujarat	b.	WTG No. 1. Survey No. 400, Village - Kuranga, Taluka - Dwarka, Dist Jamnagar.
7	Solvent Extraction Unit-IV Pithampur, Dist.Dhar(M.P)	c.	WTG No. 2. Survey No. 400, Village - Kuranga, Taluka - Dwarka, Dist Jamnagar.
8	Solvent Extraction Unit - V Jaipur, Rajasthan	d.	WTG No. 3. Survey No. 400, Village - Kuranga, Taluka - Dwarka, Dist Jamnagar.

xiv. Investors' Correspondence

All Communications may be sent to Shri Kaushik C Khona, Chief Financial Officer and Company Secretary at the following address:

Gujarat Ambuja Exports Limited

"Ambuja Tower", Opp. Memnagar Fire Station, P.O. Navjivan, Navrangpura, Ahmedabad-380 014
Phone: 079-26423316-20, 26405535-37 & 39 Fax : 079-26423079

E-mail: jayvijay@ambujagroup.com

Place: Ahmedabad

Date: 22.07.2006

For & On behalf of Board of Directors

(Vijay Kumar Gupta)

Chairman and Managing Director



AUDITORS' REPORT

To,
The Members of
Gujarat Ambuja Exports Limited

We have audited the attached Balance Sheet of Gujarat Ambuja Exports Limited as at March 31, 2006 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. 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.

- As required by the Companies [Auditors' Report] Order, 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.
- Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - 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.
 - 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.
 - The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - 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.
 - On the basis of the written representations received from the directors, as on 31st March 2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2006 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 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 :
 - In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2006.
 - In the case of the Profit & Loss Account, of the 'Profit' of the Company for the year ended on that date.

and

- 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
[Ashwin Amin]
Partner

Place: Ahmedabad

Date : July 22, 2006

Membership No.: 35070

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF GUJARAT AMBUJA EXPORTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006.

- The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - 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 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.
 - 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.
- 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.
 - 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.
 - 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.
- 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, except the trade advance received from the subsidiary company. And hence, paragraphs 4(iii) (b to g) of the order are not applicable.
- 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.
- As far as we have been able to ascertain from the books of accounts and according to the information and explanations given to us,
 - In our opinion the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered as required by the provisions of the said section.
 - 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 prevailing market prices at the relevant time.

- 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.
- The company has an Internal Audit System commensurate with the size and nature of its business.
- 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. We are informed that Central Government has issued order for audit of cost records under section 233B of the Companies Act, 1956, in respect of "textile" products.
- 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 statutory dues to appropriate authorities. According to the information and explanations given to us, no undisputed amount in respect of aforesaid statutory dues were outstanding as at 31st March, 2006 for the period of more than six months from the date they become payable.
 - According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that there are no disputed dues in respect of Income Tax / Wealth Tax & Service Tax. The details of disputed dues which have not been deposited are as follow:

Sr. No.	Nature of the statute	Nature of dues	Amount	Period to which amount relates	Forum where the dispute is pending
1.	Motor Spirit Tax	Exemptions	1,71,732	1997-1998	Tribunal
2.	The Central Excise Act, 1944	Classification	2,62,34,517	2000to2004	Commissioner of Central Excise
		Classification	1,04,58,907	2001-2002	Commissioner of Central Excise
		Classification	9,69,037	2005-2006	Commissioner of Central Excise
		Exemptions	44,86,365	2005-2006	Directorate General of Central Excise Intelligence
		Concessional Rate of Duty	8,43,67,784	2005-2006	Directorate of Revenue Intelligence
3.	The Customs Act, 1962	Additional Custom Duty	1,08,90,000	2004-2005	Assistant Commissioner of Customs
		Differential Duty	3,59,056	2003-2004	Assistant Commissioner of Customs
		Differential Duty	1,17,289	2004-2005	Assistant Commissioner of Customs

[Refer note no.: 1 of schedule no. S]

- The company has no accumulated losses as at the end of the financial year and it has not incurred cash losses during the current year and immediately preceding financial year.
- The company has not defaulted in repayment of dues to the banks. The company has not obtained any borrowing from any financial institution or by way of debentures.
- The company has not granted loans and advances on the basis of security by way of pledge of shares and debentures and other securities.
- The company is not a chit fund/ nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund are applicable and hence paragraph 4(xiii) of the order is not applicable.
- The company is not dealing in or trading in shares, securities, debentures, and other investments and hence paragraph 4(xiv) of the order is not applicable.
- The company has given guarantee for loans taken by subsidiary company, however, the terms and conditions are not prejudicial to the interests of the company.
- 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.
- According to the cash flow statement and other records examined by us and the information and explanations given to us, on over all basis, funds raised on short term basis, prima facie, has not been used during the year for long term investments.
- 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 and hence paragraph 4(XVIII) of the order is not applicable.
- During the year, the company has not issued any debentures and hence paragraph 4 (xix) of the order is not applicable.
- During the year, the company has not raised any money by way of public issue and hence paragraph 4(xx) of the order is not applicable.
- To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company was noticed or reported during the year.

For, KANTILAL PATEL & CO.,
CHARTERED ACCOUNTANTS
[Ashwin Amin]

Partner

Place: Ahmedabad

Date : July 22, 2006

Membership No.: 35070



GUJARAT AMBUJA EXPORTS LIMITED

BALANCE SHEET AS AT 31st MARCH 2006

(Rupees in Crores)

SCHEDULE		AS AT 31.03.2006	AS AT 31.03.2005
		AMOUNT	AMOUNT
(A) SOURCE OF FUNDS			
SHARE HOLDERS' FUNDS			
(a) Share Capital	A	27.86	27.86
(b) Reserves & Surplus	B	234.69	208.19
			262.55
LOAN FUNDS			
(a) Secured Loans	C	211.07	117.28
(b) Unsecured Loans	D	0.82	0.96
			211.89
DEFERRED TAX LIABILITY			
(a) Deferred tax liability		36.40	26.20
(b) Deferred tax asset		0.80	1.10
			35.60
TOTAL			510.04
(B) APPLICATION OF FUNDS			
FIXED ASSETS	E		
Gross Block		355.48	286.64
Less : Depreciation		136.34	115.80
Net Block		219.14	170.84
Add : Capital work in Progress		0.28	0.15
			219.42
INVESTMENTS	F		
			6.87
CURRENT ASSETS, LOANS & ADVANCES	G		
(a) Inventories		227.15	128.47
(b) Sundry Debtors		66.03	60.94
(c) Cash & Bank Balances		4.54	67.15
(d) Loans & Advances		2.65	6.91
		300.37	263.47
LESS: CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	H	8.34	56.87
(b) Provisions	I	8.28	5.43
		16.62	62.30
Net Current Assets			283.75
TOTAL			510.04
Significant Accounting Policies	R		
Notes on Accounts	S		

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

FOR, KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

ASHWIN AMIN
PARTNER
Membership No.: 35070

PLACE : AHMEDABAD
Date : 22nd July, 2006

For and on behalf of the Board of Directors

VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)

MANISH V. GUPTA
(MANAGING DIRECTOR)

KAUSHIK C. KHONA
(CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY)

PLACE: AHMEDABAD
Date : 22nd July, 2006

BREAK UP VALUE : RS. 18.84 ON A SHARE OF RS. 2/- | LONG TERM DEBT ONLY RS. 10.37 CRORES



15TH ANNUAL REPORT 2005-2006

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2006

(Rupees in Crores)

	SCHEDULE	FOR THE YEAR ENDED 31.03.2006 AMOUNT	FOR THE YEAR ENDED 31.03.2005 AMOUNT
(A) INCOME			
Sales	J	1298.43	1125.76
Less : Excise Duty		5.19	11.60
Net Sales		1293.24	1114.16
Other Income	K	0.50	0.13
TOTAL - "A"		1293.74	1114.29
(B) EXPENDITURE			
Cost of Goods Sold	L	1062.71	916.34
Manufacturing Expenses	M	58.52	56.77
Employees' Cost	N	20.14	16.56
Administrative Expenses	O	7.93	6.36
Sales Expenses	P	66.83	57.20
Loss on Sale of Fixed Assets		0.92	0.44
Finance & Other Charges	Q	7.42	6.06
Depreciation		23.77	23.58
TOTAL - "B"		1248.24	1083.31
Profit before Tax (A-B)		45.50	30.98
Provision for Taxation			
- Current tax		4.53	1.15
- Deferred tax		10.51	3.74
- Fringe Benefit Tax		0.15	0.00
- Less: Excess Provision of Earlier Years Written Back		0.00	0.82
Profit after Tax		30.31	26.91
Add : Balance of Profit from Previous Year		67.39	46.97
Profit available for appropriation		97.70	73.88
APPROPRIATION			
Transferred to General Reserve		4.00	3.00
Proposed Dividend 12% p.a. (P.Y. 11% p.a.)		3.34	3.06
Provision for Dividend Distribution Tax.		0.47	0.43
Balance carried to Balance Sheet		89.89	67.39
TOTAL		97.70	73.88
Significant Accounting Policies	R		
Notes on Accounts	S		
Earnings per Equity Share of Rs.2/- each (Basic & Diluted)		2.176	1.932

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

FOR, KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

ASHWIN AMIN
PARTNER
Membership No.: 35070

PLACE : AHMEDABAD
Date : 22nd July, 2006

For and on behalf of the Board of Directors

VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)

MANISH V.GUPTA
(MANAGING DIRECTOR)

KAUSHIK C.KHONA
(CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY)

PLACE: AHMEDABAD
Date : 22nd July, 2006

TURNOVER Rs. 1293 CRORES | EPS : Rs. 2.176 ON A SHARE OF RS. 2/-



GUJARAT AMBUJA EXPORTS LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2006

Rs. in Crores

	AS AT 31.03.2006	AS AT 31.03.2005		AS AT 31.03.2006	AS AT 31.03.2005
SCHEDULE "A" SHARE CAPITAL			SCHEDULE "F" INVESTMENTS (AT COST) (Cont.)		
AUTHORISED			33770 [P.Y. 83793] Equity shares NTPC of Rs.10/- each	0.21	0.52
250000000(P.Y.30000000) Equity shares			fully paid up.[Market value Rs.4528557/-] (P.Y.Rs.7181060/-)		
of Rs.2 each (P.Y.Rs 10/- each)	50.00	30.00	100[P.Y. 100] Equity shares of Riddhi Siddhi Starch Ltd.of Rs.10/-	0.00	0.00
	50.00	30.00	each fully paid up.[Market value Rs.19385/-] (P.Y.Rs. 2345/-)		
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			IN MUTUAL FUND [UNQUOTED]		
139318490 (P.Y.27863698) Equity Share of Rs.2/- each	27.86	27.86	250000 [P.Y. Nil] Units of Reliance Mutual Fund of Rs.10/- each	0.25	0.00
(P.Y.Rs 10/- each fully paid, since split in to 5 shares of Rs.2/-each)			[NAV Rs.2540000/-] (P.Y.Rs. Nil)		
i. Includes 31500000 (P.Y.6300000) Equity shares of Rs.2/- each			270000 [P.Y. Nil] Units of Kotak Lifestyle Mutual Fund of	0.27	0.00
(P.Y.Rs 10/- each fully paid, since split in to 5 shares of Rs.2/-			Rs.10/- each [NAV Rs.2780460/-] (P.Y.Rs. Nil)		
each) issued at a premium of Rs.1 per share of Rs 10/- each			UNQUOTED (EQUITY SHARES)		
on conversion of Optionally Convertible Unsecured debentures			10000[P.Y. 10000] Equity shares of Kalupur Com. Co-Op Bank Ltd.	0.02	0.02
Includes 82188910 (P.Y.16437782) Equity shares of Rs.2/-			of Rs 25/- each fully paid up.		
each (P.Y.Rs 10/- each fully paid, since split in to 5 shares			IN SUBSIDIARY COMPANY		
of Rs.2/-each) fully paid allotted on 30.4.99 in exchange of			854212 [P.Y. 854212] Ordinary Shares of One Singapore Dollar	2.06	2.06
shares on amalgamation for consideration other than cash.			each,fully paid in Gujarat Ambuja International Pte Ltd.		
31085420 (P.Y.6217084) Equity shares of Rs.2/- each (P.Y.Rs.10/-			IN OTHERS		
each fully paid, since split in to 5 shares of Rs.2/-each) reduced			2083580 [P.Y. 2083580] Equity Shares of Royale Exports Ltd, Srilanka	0.98	0.98
as per Scheme of arrangement approved by Honourable			each of Rs. 10/-of Srilankan Rupees		
Gujarat High Court order dated 17th February 2003.			389490 [P.Y.689490] Equity shares of Jupiter Corporate Services	1.94	3.43
iv. Includes 20490000 (P.Y.4098000/-) Equity Shares of Rs.2/- each			Ltd. of Rs 10/- each fully paid up.		
(P.Y.Rs 10/- each fully paid, since split in to 5 shares of Rs.2/-			GOVERNMENT SECURITY		
each) fully paid, allotted on 31.1.2004 in exchange of shares on			National Saving Certificates	0.02	0.02
amalgamation for consideration other than cash.	27.86	27.86	[Lodged with Sales tax & Other Government authorities]	6.87	7.23
SCHEDULE "B" RESERVES & SURPLUS					
General Reserve			AGGREGATE COST OF QUOTED INVESTMENTS (in Rs.)	13360867	7223946
Balance as per last Balance Sheet	133.02	130.02	AGGREGATE COST OF MUTUAL FUND (in Rs.)	5200000	0
Add : Transferred from Profit & Loss Account	4.00	3.00	AGGREGATE COST OF UNQUOTED INVESTMENTS (in Rs.)	50130687	65076405
	137.02	133.02	MARKET VALUE OF QUOTED INVESTMENTS (in Rs.)	19985756	9555607
Capital Subsidy :			NAV OF MUTUAL FUND (in Rs.)	5320460	0
Balance as per last Balance Sheet (refer accounting	0.65	0.65			
policy H of Schedule R)			SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES		
Amalgamation Reserve Account			Current Assets		
Balance as per last Balance Sheet	0.02	0.02	1 Inventories		
Securities Premium Account			(As taken, Valued & Certified by the management)		
Balance as per last Balance Sheet	0.89	0.89	Finished Goods	69.35	45.50
Capital Redemption Reserve			Work in Process	2.14	1.87
Balance as per last Balance Sheet	6.22	6.22	Raw Materials	148.76	74.24
Surplus as per Profit and Loss Account	89.89	67.39	Packing Materials	1.55	0.89
	234.69	208.19	Stores & Spares, Coal, Diesel, Furnace Oil	5.35	5.97
SCHEDULE "C" SECURED LOANS				227.15	128.47
(A) Term Loans			2 Sundry Debtors		
Secured by Fixed Assets to be funded under the TUF scheme			(Unsecured, Considered Good)		
specifically charged by way of hypothecation [P.Y. Secured by a			Outstanding for a period exceeding six months	0.00	0.22
first charge/mortgage/on all movable fixed assets, other than at			Others	66.03	60.72
Jaipur and personal guarantee of three promoter Directors.				66.03	60.94
Repayable within one year Rs.12500000/- P.Y Rs. 50720711/-]			3 Cash & Bank Balances		
- From Banks	10.37	5.07	Cash on Hand	0.34	0.33
- Interest accrued and due on above	0.00	0.01	Balance with Banks		
	10.37	5.08	With Scheduled Banks		
(B) Other Loans - Working Capital			(a) on Current accounts	3.25	6.31
Secured by a hypothecation on current assets and Mortgage on			(b) on Fixed Deposit accounts	0.80	60.51
certain movable/ immovable fixed assets (other than at Jaipur) and			(with Bank as Lien as margin money for line of credit)		
personal guarantee, mortgage and security of personal assets of			With Other Banks		
three promoter directors and against lien on Fixed Deposits.			(a) on Current accounts	0.15	0.00
- From Banks	200.70	112.20	Shri Kadi Nagrik Sahakari Bank Ltd Rs 23279/- (P.Y. Rs 24359/-)		
	211.07	117.28	(Maximum balance outstanding during the year Rs. 24359/-		
SCHEDULE "D" UNSECURED LOANS			P.Y Rs. 2019878/-)		
Dealers' & Distributors' Deposits	0.82	0.96	The Akola Janta Comm.Co.Op. Bank Ltd Rs 1470622/- (P.Y. Rs Nil)		
	0.82	0.96	(Maximum balance outstanding during the year Rs. 1493901/-		
SCHEDULE "E" INVESTMENTS (AT COST)			P.Y Rs.4932721 /-)	4.54	67.15
(LONG TERM INVESTMENTS)			4 Loans & Advances (Unsecured, Considered Good)		
QUOTED (EQUITY SHARES)			Advances recoverable in cash or in kind or for value to be received	0.50	4.04
100[P.Y. 10] Equity share of Adani Exports Ltd.of Rs.1/- each	0.00	0.00	Advances for Goods & Expenses	0.79	0.97
(P.Y.Rs.10/- each fully paid up.) [Market value Rs.5985/-] (P.Y.Rs.597.50/-)			Excise Balances	1.26	1.63
20302[P.Y.Nil] Equity shares of Andhra Bank of Rs. 10/- each	0.18	0.00	Tax Balances: Current Tax -(Advance Tax Less Provisions)	0.10	0.27
fully paid up.[Market value Rs.1639386/-] (P.Y.Rs.Nil/-)				2.65	6.91
25[P.Y. 25] Equity shares of Arvind Mills Ltd.of Rs.10/- each	0.00	0.00	SCHEDULE "H" CURRENT LIABILITIES		
fully paid up.[Market value Rs.2512/-] (P.Y.Rs.2876/-)			Creditors for Capital goods	1.09	2.64
16598 [P.Y. Nil] Equity shares Bank of Baroda of Rs 10/-	0.38	0.00	Creditors for Goods & Expenses & other Liabilities	6.51	53.68
each fully paid up.[Market value Rs.3826668/-] (P.Y.Rs. Nil)			Unclaimed Dividend	0.74	0.55
8232 [P.Y. 8232] Equity shares Gateway Distriparks Ltd. of Rs.10/-	0.06	0.06		8.34	56.87
each fully paid up.[Market value Rs.2087223/-] (P.Y.Rs.922396/-)			SCHEDULE "I" PROVISIONS		
121797 [P.Y.Nil] Equity shares Guj. State Petronet Ltd. of Rs.10/-	0.33	0.00	Proposed Dividend	3.81	3.49
each fully paid up.[Market value Rs.4476039/-] (P.Y.Rs.Nil)			(Including Dividend Distribution Tax Rs.4689462/- P.Y Rs. 3907884/-)		
33[P.Y.Nil] Equity shares of ICICI Bank Ltd.of Rs.10/- each	0.00	0.00	Tax Balances: Current Tax - (Provisions Less Advance Tax)	2.08	0.00
fully paid up.[Market value Rs.19439/-] (P.Y.Rs. Nil/-)			Provision for Retirement Benefits		
50757 [P.Y. Nil] Equity shares IDFC Ltd. of Rs. 10/-	0.17	0.00	Gratuity	1.89	1.54
each fully paid up [Market value Rs.3380416/- P.Y.Rs.Nil]			Leave Encashment	0.50	0.40
5[P.Y. 5] Equity shares of Maral Overseas Ltd.of Rs.10/- each	0.00	0.00		8.28	5.43
fully paid up.[Market value Rs.146/-] (P.Y.Rs. 169/-)					
Nil [P.Y. 3677] Equity shares Punjab National Bank Ltd of	0.00	0.14			
Rs. 10/- each fully paid up.[Market value Rs.Nil/-] (P.Y.Rs.1446164/-)					

SCHEDULE "E" FIXED ASSETS

(Rs. in Crores)

SR No.	PARTICULARS	Gross Block			Depreciation				Net Block	
		As at 01.04.2005	Additions / (Deductions) During the year	Total as at 31-03-2006	As at 01-04-2005	For the year	Deduction during the year	Total as at 31-3-2006	As at 31-3-2006	As at 31-3-2005
1	Free Hold Land	2.93	0.11	3.04	0.00	0.00	0.00	0.00	3.04	2.93
2	Lease Hold Land	0.64	0.00	0.64	0.00	0.00	0.00	0.00	0.64	0.64
3	Factory Building	52.06	3.17	55.23	16.21	1.69	0.00	17.90	37.33	35.85
4	Non-Factory Building & Colony	6.77	0.99	7.76	1.47	0.13	0.00	1.60	6.16	5.30
5	Plant & Machinery	189.05	42.66 (4.09)	227.62	79.43	18.22	2.94	94.71	132.91	109.62
6	Wind Mill	0.00	16.58	16.58	0.00	0.16	0.00	0.16	16.42	0.00
7	Electric Supply System	7.14	0.97	8.11	4.01	0.68	0.00	4.69	3.42	3.13
8	Vehicles	2.91	0.54 (0.35)	3.10	1.34	0.28	0.07	1.55	1.55	1.57
9	Furniture & Fixtures	1.71	0.09	1.80	1.04	0.16	0.00	1.20	0.60	0.67
10	Office Equipments	2.24	0.29	2.53	0.81	0.25	0.00	1.06	1.47	1.43
11	D.G.Set	18.81	8.40 (0.99)	26.22	10.47	2.02	0.22	12.27	13.95	8.34
12	Temple	0.24	0.00	0.24	0.03	0.01	0.00	0.04	0.20	0.21
13	Factory Road	0.55	0.46	1.01	0.05	0.01	0.00	0.06	0.95	0.50
14	Effluent Treatment Plant	1.09	0.01	1.10	0.69	0.11	0.00	0.80	0.30	0.40
15	Trade Mark	0.50	0.00	0.50	0.25	0.05	0.00	0.30	0.20	0.25
	TOTAL :	286.64	68.84	355.48	115.80	23.77	3.23	136.34	219.14	170.84
	CAPITAL WORK IN PROGRESS	0.04	0.24	0.28	0.00	0.00	0.00	0.00	0.28	0.04
	CAPITAL ADVANCE	0.11	(0.11)	0.00	0.00	0.00	0.00	0.00	0.00	0.11
	TOTAL :	286.79	68.97	355.76	115.80	23.77	3.23	136.34	219.42	170.99
	Previous year	237.91	48.88	286.79	93.66	23.58	1.44	115.80	170.99	144.25

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

(Rs. in Crores)

	YR. ENDED 31.03.2006	YR. ENDED 31.03.2005
SCHEDULE "J" SALES		
Export Sales [FOB Value Rs.3873849997/- (P.Y.Rs 4028088153)]	409.82	424.47
Domestic Sales	888.61	701.29
	1298.43	1125.76
SCHEDULE "K" OTHER INCOME		
Dividend ((Gross) (TDS Nil))(P.Y.Nil)	0.03	0.01
Miscellaneous Income	0.10	0.06
Profit on Sale of Investments (Net)	0.37	0.06
Foreign Exchange Fluctuation (Net) { Rs.NIL (P.Y.Rs.14969/-)}	0.00	0.00
	0.50	0.13
SCHEDULE "L" COST OF GOODS SOLD		
Opening Stock		
Raw Materials	74.24	128.54
Work-in-Process	1.87	2.02
Finished Goods	45.50	73.55
Packing Materials	0.89	1.08
Add : Material Purchased / acquired	1165.02	853.54
	1287.52	1058.73
Less : Sale of Raw Materials	3.01	19.89
	1284.51	1038.84
Less : Closing Stock		
Raw Materials	148.76	74.24
Work-in-Process	2.14	1.87
Finished Goods	69.35	45.50
Packing Materials	1.55	0.89
	221.80	122.50
Total Cost of Goods Sold	1062.71	916.34
SCHEDULE "M" MANUFACTURING EXPENDITURE		
Stores & Spares Consumed	7.07	8.18
Power,Electricity,Diesel,LDO & Fuel Expenses	27.82	29.17
Coal ,Castor DOC & Fuel Consumed	15.21	10.37
Repairs : Plant & Machinery	1.00	1.02
Building	0.54	0.91
Others	0.24	0.28
Insurance [Net of Claims]	0.89	0.79
Other Manufacturing Expenses	5.75	6.05
	58.52	56.77
SCHEDULE "N" EMPLOYEES' COST		
Salary,Wages & Bonus	18.45	15.20
Gratuity	0.52	0.24
Leave Encashment	0.20	0.20
Contribution to Provident Fund & Other Funds	0.97	0.92
	20.14	16.56

	YR. ENDED 31.03.2006	YR. ENDED 31.03.2005
SCHEDULE "O" ADMINISTRATIVE EXPENSES		
Conveyance & Travelling Expenses [Including Directors Travelling Rs 4269512/- (P.Y.Rs 663496/-)]	0.87	0.79
Electric Expenses	0.39	0.41
Vehicle Maintenance Expenses	0.73	0.61
Insurance Expenses	0.62	0.19
Printing,Stationery,Postage & Telephone	1.42	1.39
Legal & Professional Expenses	1.18	0.97
Rent	0.13	0.26
Rates & Taxes	0.16	0.16
Donations	0.11	0.03
Payment to Auditors		
For Audit	0.09	0.06
For Tax Audit	0.02	0.02
For Others	0.03	0.00
General Administrative Charges	2.18	1.47
	7.93	6.36
SCHEDULE "P" SALES EXPENSES		
For Domestic Sales		
Local Sales Expenses	6.22	6.54
Commission & brokerage	1.17	0.95
Sales Tax,C.S.T & Octroi	11.09	8.31
	18.48	15.80
For Export Sales		
Exports Sales Expenses	48.01	40.77
Commission & brokerage	0.33	0.62
Insurance	0.01	0.01
	48.35	41.40
	66.83	57.20
SCHEDULE "Q" FINANCE & OTHER CHARGES		
Interest on Fixed Loans	0.08	0.21
Interest on Working Capital Loans	5.06	3.00
Other Interests	0.04	0.05
Bank and Other Financial Charges	6.94	5.09
Swaping , Forex & Other Expenses	0.11	0.03
	12.23	8.38
LESS : INCOME		
Interest on Bank Deposits (Gross)	4.70	2.27
[TDS: Rs 10483964/- (P.Y.TDS Rs 4796452/-)]		
Interest on Others (Gross) (TDS Rs 22792/-) (P.Y.TDS Rs Nil)	0.11	0.05
	4.81	2.32
Net	7.42	6.06



GUJARAT AMBUJA EXPORTS LIMITED

SCHEDULE "R" SIGNIFICANT ACCOUNTING POLICIES

(A) Accounting Convention

The financial statements have been prepared under the historical cost convention. The Company consistently follows System of accounting as required under the provisions of the Companies Act, 1956. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted Accounting Principles. In applying the accounting policies, consideration has been given to Prudence, Substance over Form and Materiality.

(B) Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount 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 results and estimates are recognised in the period in which the results are known/materialised.

(C) Fixed Assets

- Fixed assets are stated at cost of acquisition or construction inclusive of incidental expenses and interest on the qualifying assets as per the requirements of the Accounting Standard on Borrowing costs vide Accounting Standard 16 issued by the Institute of Chartered Accountants of India, till the Fixed Assets are ready for use less accumulated depreciation.
- Pre operative expenses, being all direct and indirect expenses incurred for the fixed assets are capitalised and apportioned to the various assets in the respective cost ratios.
- In the case of new projects and substantial modernisation / expansions at existing units of the company, all pre-operative expenditure, initial spares acquired with machines, interest on all the borrowings, whether specific or general, for the purpose are capitalised up to the date of installation to the cost of qualifying Fixed Assets. Till such time the expenditure is carried as Capital work in progress.
- The carrying amount of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital.

(D) Investments

Investments are classified as Long Term Investments and are stated at cost. A provision for diminution in the value of Long Term investment is made only if such decline is other than temporary in the opinion of the management.

(E) Inventories

Inventories are valued as under

	Method of Valuation Of Stocks	Mode of Ascertaining Cost
Raw Materials	At Lower of Cost or Net Realisable Value	FIFO
Packing Materials	At Lower of Cost or Net Realisable Value	FIFO
Stores & Spares, Coal & Chemicals	At Lower of Cost or Net Realisable Value	Weighted Average
Work in Progress	At Lower of Cost or Net Realisable Value net of Incremental Cost	Material and Direct Cost
Finished Goods	At Lower of Cost or Net Realisable Value	Material, Labour & Overheads on Absorption Costing in case of Manufactured goods and Costs And Related Direct and Indirect Cost in case of Traded Goods
By Products	Net Realisable Value	-----

(F) Provision for Current and Deferred Tax

Income - tax expenses comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by applying the tax rates as applicable. Deferred income-tax charge reflects the impact of current period timing differences between taxable income and accounting income. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets / liabilities are reviewed as at each Balance sheet date based on developments during the period and available case laws, to reassess realization / liabilities.

(G) Fringe Benefit Tax

Provisions are made for the Fringe Benefit Tax payable at applicable rates on the expenditure & the extent to which they qualify as Fringe Benefit.

(H) Government Grants

The grants received in the nature of promoters' contribution are treated as Capital Reserve.

(I) Provisions

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

(J) Revenue Recognition : Sales

Sales include Sales of goods, Sales tax, Excise Duty and are net of Returns, Discount and Quality rebates.

(K) Foreign Currency Transaction

- Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items related to foreign currency transaction, remaining unsettled at the year end are stated at the contracted rates, when converted under forward foreign exchange contracts and at year end rates in other cases. The premium payable on forward foreign exchange contracts is amortised over the period of the contract. Exchange gain/ losses are recognized in the Profit and Loss Account except in respect of liabilities incurred to acquire fixed assets in which case, they are adjusted to the carrying amount of such fixed assets.
- The balance in the Exchange Earners Foreign Currency bank account in US Dollars at the year end has been converted into Indian Rupees at the rate prevailing on that date. Any Exchange difference arising resultantly has been dealt in the Profit & Loss Account.

(L) Depreciation

- 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, for all its assets during the year under consideration.
- Assets costing less than Rs 5000/- are charged off as depreciation during the year of purchase/installation.
- In case of trademarks, which are acquired, the cost is amortised over the period of estimated life i.e. 10 years.

(M) Retirement Benefits

A: Gratuity

For the purpose of the Gratuity, the company has the following accounting policy.

- Solvent (Kadi-old) Division:** The Company has made appropriate provision for gratuity for the employees by taking a policy with Life Insurance Corporation under the Cash

Accumulation gratuity scheme. The premium paid to L.I.C. is charged to the Profit & Loss Account in the year of payment. The shortfall in the gratuity payment to the employee is payable by the company and expenditure is debited in the year of such shortfall.

- Other Divisions:** The accrued liability of gratuity payable to employees has been fully provided.

B: Leave encashment

The privilege Leave outstanding against each employee as at the year end are valued in terms of contractual liability for the provision of liability.

C: Provident fund

The Contribution of employer's share to the provident fund is charged to the Profit & Loss account on accrual basis.

(N) Export Benefits/Incentives

The benefits are accounted on the accrual basis.

(O) 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.

(P) Research and Development

Research and Development expenditure of capital nature are capitalised and those of revenue nature are charged to Profit and Loss account.

(Q) Borrowing Costs

Borrowing Costs that are directly attributed to the acquisition /construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(R) Contingent Liabilities

Contingent liabilities not provided for are stated by way of Notes on Accounts.

SCHEDULE "S" NOTES ON ACCOUNTS

[Rs. In Crores]

1. Contingent liabilities not provided for in respect of

PARTICULARS	2005-06	2004-05
(a) Claims against the Company /disputed liabilities not acknowledged as debts	6.54	6.54
(b) Disputed Excise duty, Sales Tax, Motor Spirit Tax Claims	13.81	23.28
(c) Estimated Amount of Contract Pending execution on Capital Account [Net of Advances of Rs 9903457/- (P.Y.Rs 1134080/-)]	1.46	0.86
(d) Letter of Credit & Bank Guarantee [Net of Margin Money Rs 581660000/- (P.Y.Rs 603391000/-) & discharged since then]	10.08	80.91
(e) Corporate guarantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte. Ltd	13.34 (US \$ 3 Mn)	13.09 (US \$ 3 Mn)

Note: Outflow in respect of above disputes/Contingencies is dependent upon final outcome of the disputes or ultimate agreement to resolve the differences.

- 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. The balances in Sundry Debtors, Sundry Creditors and Loans and advances are however, subject to confirmations and adjustments, if any.

- 3.a) Tax liability** under normal provisions of the Income Tax Act 1961 is calculated and provided in the Accounts.

b) Deferred Tax : Major Components of Deferred tax liabilities and Deferred tax assets.

PARTICULARS	As at 31st March 2006	As at 31st March 2005
A Deferred tax liabilities		
(i) Depreciation	36.40	26.20
(ii) Other Provisions	0.00	0.00
Total	36.40	26.20
B Deferred tax Assets		
(i) Provisions - 43 B items (Gratuity & Leave Encashment)	0.80	0.00
(ii) Unabsorbed Depreciation	0.00	1.10
Total	0.80	1.10
Net Deferred tax liability	35.60	25.10

- During the year Company has capitalised borrowing cost of Rs.1.79 Crores (P.Y. Rs. Nil)

5. Managerial Remuneration:

PARTICULARS	2005-06	2004-05
Salary	0.46	0.45
Contribution to PF & Other Funds [Rs. 28080 (P.Y. Rs. 28080)]	0.00	0.00
Value of Perquisite (As per I.T.Valuation)	0.00	0.01

- As per the information available with the company, there are no small scale industrial undertakings to whom the company owed any sum as at 31st March, 2006 and hence there is no balance outstanding for more than 30 days as at 31st March, 2006.

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

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

	2005-06	2004-05
Subsidiary Company : Gujarat Ambuja International Pte.Ltd		
Maximum amount due during the year :	Nil	Nil

- 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 (Installed capacity is certified by management)

PARTICULARS	Unit	2005-06	2004-05
(A) Solvent Extraction Unit	TPA	990000	990000
(B) Vanaspathi Unit	TPA	30000	30000
(C) Refining of any kind of oil	TPA	360000	360000
(D) Maize based Starch, Seed Crushing	TPA	175000	105000
(E) Wheat Products	TPA	112500	112500
(F) 100% E.O.U. Cotton Spinning Unit Ring Spun Yarn	TPD	43	30
(G) Cattle Feed	TPA	60000	60000
(H) Power Generation Unit (Wind Mills)	MW	3.65	0

Note : Licenced capacity not indicated due to the abolition of industrial licences as per notification No.S.O.477CE dated 25th July,1991 & capacity registered with SIA & DGTD not being Licence is not indicated.

Note : The above capacity is as at the last date of the Accounting Year.

II.(a) QUANTITATIVE INFORMATION

ITEM	Unit	Opening Stock		Production/ Receipts QTY.	Sales		Transfer for captive consumption QTY.	Closing Stock	
		QTY.	RS.		QTY.	RS.		QTY.	RS.
(A) AGRO PROCESSING DIVISION:									
1. Food Products	M.T	11680.256 (14584.560)	36.88 (59.38)	246511.792 (196397.896)	237884.298 (198396.200)	642.43 (620.69)	688.400 (906.000)	19213.088 (11680.256)	60.64 (36.88)
2. Chemicals & Allied Products	M.T	736.975 (2033.650)	0.63 (1.44)	62680.208 (53182.740)	32518.500 (32679.625)	37.07 (33.93)	29375.658 (21799.790)	1523.025 (736.975)	0.18 (0.62)
3. Extractions & Derivatives		11864.415 (14645.657)	6.25 (11.78)	600470.749 (406104.278)	605198.232 (405787.998)	488.77 (339.27)	341.770 (3097.522)	6795.162 (11842.625)	5.76 (6.25)
(B) COTTON YARN DIVISION									
1. Cotton Yarn	M.T	169.564 (123.998)	1.58 (0.92)	12726.378 (12139.080)	12781.064 (12093.514)	123.49 (124.75)	Nil (Nil)	114.879 (169.564)	0.97 (1.58)
2. Others			0.17 (0.04)			6.16 (7.12)			0.22 (0.17)
(C) WINDMILL DIVISION									
1. Power Generation unit	Unit	0.000 (Nil)	0.00 (Nil)	1000974.000 (Nil)	960933.000 (Nil)	0.50 (Nil)	Nil (Nil)	0.000 (Nil)	0.00 (Nil)

Note : 1. The figures of previous year are shown in brackets.

2. Actual production includes quantities for captive consumption.

II.(b) MATERIALS CONSUMED

ITEMS	2005-2006		2004-2005	
	QTY. (M.T.)	AMOUNT (RS.)	QTY. (M.T.)	AMOUNT (RS.)
Agro Products	879042.977	997.70	629609.786	793.53
Cotton & Cotton Yarn	15682.613	73.07	14880.365	79.61
Chemicals & Others	N.A.	16.05	N.A.	15.01
Total	894725.590	1086.82	644490.151	888.15

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

PARTICULARS	2005-2006		2004-2005	
	Amount	%	Amount	%
(A) RAW MATERIALS				
Imported	320.35	29.49	271.53	30.57
Indigenous	766.47	70.51	616.62	69.43
Total	1086.82	100.00	888.15	100.00
(B) STORES, SPARES & COMPONENTS				
Imported	0.31	4.37	0.36	4.43
Indigenous	6.76	95.63	7.82	95.57
Total	7.07	100.00	8.18	100.00

11. Value of Imports on CIF basis during the year

PARTICULARS	2005-06 Amount	2004-05 Amount
Capital Goods	32.97	1.78
Goods	334.34	220.19
Stores & Components	0.31	0.36

12. Earnings in Foreign currency during the year

PARTICULARS	2005-06 Amount	2004-05 Amount
FOB Value of Export Sales	387.38	402.81

13. Expenditure in foreign currency during the year

PARTICULARS	2005-06 Amount	2004-05 Amount
Consumables	11.86	19.02
Bank Charges, Foreign Travelling etc.	4.66	4.12
Export Claims	0.15	2.47
Overseas Commission	0.00	0.58
Membership fees, Books & Periodicals	0.05	0.03
Others	0.28	0.64

Note: There are no foreign remittances towards dividend.

14. Sales include realised gain of exchange on forward exchange contracts (Net of Settlements) entered into primarily for hedging purpose Rs. 4.62 Crores (net) {P.Y. Rs 8.47 Crores (net)}.

15. Foreign Exchange Derivatives and exposures not hedged at close of the year.
(A) Foreign Exchange Exposure Hedged

Nature of Instrument	Currency	Sale / Purchase	March 31, 2006	March 31, 2005
Forward Contracts	USD	SALE	82.37	31.74
Option Contracts				
BUY PUT (OR)	USD	SALE	35.60	80.62
SELL CALL	USD	SALE	62.25	170.49
USD PUT CHF CALL OR	CHF	SALE	31.05	0.00
CHF PUT USD CALL	CHF	SALE	31.05	0.00
Receivable	USD		17.01	11.40
	EURO		0.00	0.31

All contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

(B) Exposure not hedged

Nature of Instrument	Currency	March 31, 2006	March 31, 2005
Payable	USD	45.25	105.60
	CHF	13.78	0.00
	EURO	5.78	0.00
	DKK	2.80	0.00
LC Opened Liability	USD	12.08	58.45
(Goods to be Received)	EURO	0.55	0.00

Note: USD = US Dollar; DKK = Danish Kronish Kronier; CHF = Swiss Franc

16. Earning per Share (EPS)

PARTICULARS	2005-06	2004-05
Net Profit as per Profit & Loss Account	30.32	26.91
No. Of Equity Shares as at year end (Previous year's figures restated)	139318490	139318490
Earning per Equity Shares of Rs 2/- each (Basic & Diluted)	2.176	1.932

Note: The Equity Shares of Rs. 10/- was subdivided into 5 Equity Shares of Rs. 2 each. Hence the EPS for the year is calculated on Shares of Rs. 2/-.

17. Segment Information for the year ended 31st March 2006

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

18. 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% person 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% person 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	Director & Relative	Also son of Mr. Vijaykumar Gupta & Mrs. Sulochana Gupta & Brother of Mr. Manish Gupta
(7) P.G. Makhija	Executive Director (Key Managerial Person)	Key Managerial Person



GUJARAT AMBUJA EXPORTS LIMITED

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

Transaction	Total	Subsidiary	Enterprise significantly influenced by Key Managerial Person	Key Managerial Person	Relative of Key Managerial Person
(a) Sale of Goods P.Y.	0.38 (1.37)	0.38 (1.37)	0.00 (Nil)		
(b) Purchase of Goods P.Y.	0.13 (Nil)	0.13 (Nil)			
(c) Sale of Shares P.Y.	1.49 (Nil)	1.49 (Nil)			
(d) Managerial Remuneration P.Y.	0.46 (0.45)			0.46 (0.45)	
(e) Services : Sitting Fees (Rs. 77500/-) (P.Y. Rs. 20000/-)	0.01 (0.00)				0.01 (0.00)
(f) Dividend paid P.Y.	1.93 (1.75)			1.60 (1.45)	0.33 (0.30)
Balance Outstanding as at 31.03.2006					
Amount Payable P.Y.	0 (0.89)	0 (0.89)	Nil (Nil)		

19. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Regn.No 16151 of 1991-92 State Code : 04 Balance Sheet Date : 31.03.2006

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 510.04 Total Assets 510.04

SOURCES OF FUNDS

Paid up Capital 27.86 Reserves & Surplus 234.69
Secured Loans 211.07 Unsecured Loans 0.82
Deferred tax Liability (Net) 35.60

APPLICATION OF FUNDS

Net Fixed Assets 219.42 Investment 6.87
Net Current Assets 283.75 Misc. Expenditure Nil
Accumulated Losses Nil

IV. PERFORMANCE OF THE COMPANY

Turnover 1293.24 Total Expenditure 1247.74
Profit/Loss before tax 45.50 Profit/Loss after Tax 30.31
Earning per share in Rs. 2.176 Dividend Rate % 12.00
Dividend per Share Rs. 0.24

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

Item Code No (ITC CODE)	Product Description
150710.00	SOYABEAN OIL AND ITS FRACTIONS
110812.00	MAIZE STARCH
110100.00	WHEAT FLOUR
520534.09	COTTON YARN

20. Previous years figures are regrouped / rearranged wherever considered necessary

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)

KAUSHIK C.KHONA

(CHIEF FINANCIAL OFFICER

& COMPANY SECRETARY)

PLACE: AHMEDABAD

Date : 22nd July, 2006

ASHWIN AMIN

PARTNER

Membership No.: 35070

PLACE : AHMEDABAD

Date : 22nd July, 2006

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006

[Rupees in Crores]

PARTICULARS	YEAR 2005-06 RS.	YEAR 2004-05 RS.
A. CASH FLOW FROM OPERATING ACTIVITIES:-		
NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR	45.50	30.98
Depreciation	23.77	23.58
Interest Paid	12.23	8.38
Interest Received	(-)4.81	(-)2.32
Dividend Received	(-)0.03	0.00
Profit on Sales of Investment	(-)0.37	(-)0.06
Loss on Sales of Assets	0.92	0.44
	31.71	30.02
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES /ADJUSTMENTS	77.21	61.00
Trade and other Receivables	(-)0.83	20.78
Inventories	(-)98.68	84.38
Trade Payables	(-)47.78	33.72
	(-)70.08	199.88
CASH GENERATED FROM OPERATIONS	(-)70.08	199.88
CASH FLOW BEFORE EXTRAORDINARY ITEMS		
EXTRAORDINARY ITEMS :		
Dividend & Tax on Distribution	(-)3.81	(-)3.50
Tax Provision	(-)2.60	(-)0.33
	(-)6.41	(-)3.83
NET CASH FROM OPERATING ACTIVITIES [A]	(-)76.49	196.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(-)74.39	(-)51.03
Sales of Fixed Assets	1.28	0.27
Purchase of Investments	(-)1.87	(-)3.67
Sales/Share reduction of Investments	2.60	4.38
Interest Received	4.82	2.32
Dividend Received	0.03	0.00
	(-)67.53	(-)47.73
NET CASH GENERATED IN INVESTING ACTIVITIES [B]	(-)144.02	148.32
C. CASH FLOW FROM FINANCING ACTIVITIES		
(-)Repayment /Proceeds from Bank Borrowings	93.79	(-)86.30
Proceeds from Unsecured Loans	(-)0.15	0.15
Interest Paid	(-)12.23	(-)8.38
	81.41	(-)94.53
NET INCREASE IN CASH & CASH EQUIVALENTS [A+B+C]	(-)62.61	53.79
Cash & Cash Equivalents as at		
(-)Opening Balance 01/04/2005	67.15	13.36
Cash & Cash Equivalents as at		
(-)Closing Balance 31/03/2006	4.54	67.15
	(-)62.61	53.79

1 The Cash flow statement has been prepared by the indirect method as set out in the accounting standard - 3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.

2 Cash and cash equivalents include :

	As at 31.03.2006	As at 31.03.2005
Cash in hand(Including cheques on hand)	0.34	0.33
With Scheduled Banks on :		
Current Accounts	3.30	6.28
Bank-Dividend Account	0.73	0.11
Short term Deposits	0.17	60.43
	4.54	67.15

3 The above Cash Flow statement has been prepared under the "indirect Method" as set out in Accounting Standard -3 on Cash Flow statements issued by the Institute of Chartered Accountants India.

4 Corresponding figures of the previous year have been regrouped wherever necessary to confirm to current year's figures.

This is the Cashflow Statement referred to in our report

FOR, KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Director
VIJAYKUMAR GUPTA

(CHAIRMAN & MANAGING DIRECTOR)

MANISH V.GUPTA

(MANAGING DIRECTOR)

KAUSHIK C.KHONA

(CHIEF FINANCIAL OFFICER

& COMPANY SECRETARY)

PLACE: AHMEDABAD

Date : 22nd July, 2006

ASHWIN AMIN

PARTNER

Membership No.: 35070

PLACE : AHMEDABAD

Date : 22nd July, 2006



15TH ANNUAL REPORT 2005-2006

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

DIRECTORS' REPORT

The Directors present their report to the members together with the audited financial statements of the company for the year ended 31st March, 2006.

1. Directors

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

MANISH VIJAY KUMAR GUPTA
VIJAY KUMAR GUPTA
SHILPA GUPTA

2. Arrangements to enable directors to acquire shares or debentures

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

3. Directors' Interest in Shares and Debentures

According to the Register of Directors' Shareholdings kept by the company under Section 164 of the Companies Act, Cap. 50, the following directors who held office at the end of the financial year were interested in shares of the company and its related corporations as follows.

Shares of INR. each in GUJARAT AMBUJA EXPORTS LTD.

Names of the Director	At the beginning of the year (In Eq. Shares of Rs. 10/- each)	At the end of the year (In Eq. Shares of Rs. 2/- each)
MANISH VIJAYKUMAR GUPTA	3,240,894	33,062,865
VIJAYKUMAR GUPTA	11,375,020	39,758,475
SHILPA MANISH GUPTA	3,21,000	1,605,000

4. Directors' 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. Options granted

During the year, there were no options to take up unissued shares of the Company.

6. Options exercised

During the year, no shares have been issued by virtue of the exercise of options granted.

7. Auditors

The Auditors, M/S. MGI N Rajan Associates have expressed their willingness to accept re-appointment

On behalf of the Board of Directors
(MANISH VIJAY KUMAR GUPTA)
Director

Singapore
Date : 24th May, 2006

(SHILPA GUPTA)
Director

STATEMENT BY DIRECTORS

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 in accordance with and comply with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31st March 2006 and of the results of the business, changes in equity and cash flows of the company for the financial year ended on that date 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 VIJAY KUMAR GUPTA)
Director

Singapore
Date : 24th May, 2006

(SHILPA GUPTA)
Director

AUDITORS' REPORT

To the members of
Gujarat Ambuja International Pte. Ltd.

The financial statements of Gujarat Ambuja International Pte. Ltd. for the accounting year 31st March, 2006 being a company registered in the republic of Singapore, are audited by MGI N RAJAN Associates, Certified Public Accountants, Singapore, and we have been furnished with their audit report dated 24th May, 2006.

We are presented with the accounts in Indian Rupees prepared on the basis of aforesaid accounts to comply with the requirements of Section 212 of the Companies Act, 1956. We give our report hereunder:

1 We have audited the attached Balance Sheet of Gujarat Ambuja International Pte. Ltd. as at 31st March 2006 and the Profit and loss account 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 of these financial statements based on our audit.

2 Gujarat Ambuja International Pte. Ltd. incorporated in Republic of Singapore is the wholly owned subsidiary of Gujarat Ambuja Exports Ltd.

3 Our audit is limited to the extent of verifying whether the financial statements have been converted in Indian Rupees and that the accounting standards as envisaged under Section 211(3C) of Companies Act, 1956 have been complied with and whether the accounts are presented in accordance with Schedule VI of the Companies Act, 1956.

4 Further to above & relying upon the above referred financial statements and auditors report dated 24th May, 2006, we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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 those books;
- The balance sheet and profit & loss account dealt with by this report are in agreement with the books of account;
- In our opinion, the balance sheet and profit & loss account deal with this report comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956.
- On the basis of written representations received from the Directors, as on 31st March 2006, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2006 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- In our opinion, on the basis of information and explanations given to us and relying upon the above referred financial statements and auditors' report thereon, the accounts read with the notes thereon 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;
- In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2006; and
- In the case of profit & loss account, of the "profit" for the year ended on that date; and
- In the case of cash flow statement, of the cash flows of the company for the year ended on that date.

For KANTILAL PATEL & CO.,
Chartered Accountants

ASHWIN AMIN
Partner
Membership No.: 35070

Place : Ahmedabad
Date : July 22, 2006

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

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2006

(Rupees in Crores)

	YEAR 2005-06		YEAR 2004-05	
	RS.	RS.	RS.	RS.
A. CASH FLOW FROM OPERATING ACTIVITIES:-				
NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR		0.49		(0.35)
Depreciation [Rs.16348/- (P.Y. Rs.17035/-)]	0.00		0.00	
Interest Paid	0.10		0.10	
Interest Received	(0.01)		(0.01)	
		0.09		0.09
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES,ADJUSTMENTS FOR		0.58		(0.26)
Trade and other Receivables	(2.91)		(0.04)	
Inventories	0.75		(0.02)	
Trade Payables	3.69	1.53	0.24	0.18
CASH GENERATED FROM OPERATIONS		2.11		(0.08)
CASH FLOW BEFORE EXTRAORDINARY ITEMS EXTRAORDINARY ITEMS :				
Dividend & Tax on Distribution	0.00		0.00	
Tax Provision	0.00	0.00	0.00	0.00
NET CASH FROM OPERATING ACTIVITIES		2.11		(0.08)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(0.01)		0.00	
Purchase of investments	(1.50)		0.00	
Interest Received	0.01		0.01	
NET CASH GENERATED IN INVESTING ACTIVITIES		(1.50)		0.01
		0.61		(0.07)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(0.10)		(0.10)	
NET CASH USED IN FINANCING ACTIVITIES		(0.10)		(0.10)
D. OTHERS				
Adjustments - Reserves	0.06		0.03	
NET INCREASE IN CASH & CASH EQUIVALENTS		0.57		(0.14)
Cash & Cash Equivalents as at				
(Opening Balance) 01/04/2005	0.42		0.56	
Cash & Cash Equivalents as at				
(Closing Balance) 31/03/2006	0.99		0.42	
		0.57		(0.14)

1 The Cash flow statement has been prepared by the Standard - 3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.

2 Cash and cash equivalents include :

	As at 31.03.2006	As at 31.03.2005
Cash in hand(including cheques on hand) [Rs.8259/- (P.Y.Rs.185/-)]	0.00	0.00
With Scheduled Banks on :		
Current Accounts	0.55	0.01
Short term Deposits	0.44	0.41
	0.99	0.42

This is the Cashflow Statement referred to in our report of even date
For **KANTILAL PATEL & CO.**
CHARTERED ACCOUNTANTS

VIJAYKUMAR GUPTA
(DIRECTOR)

ASHWIN AMIN
PARTNER
MEMBERSHIP NO. : 35070

MANISH GUPTA
(DIRECTOR)

Date : 22nd July, 2006
Place : Ahmedabad

Date : 22nd July, 2006
Place : Ahmedabad



GUJARAT AMBUJA EXPORTS LIMITED

Gujarat Ambuja International Pte. Ltd. (Incorporated in Singapore)

BALANCE SHEET AS AT 31st MARCH 2006

(Rs. In Crores)

	SCHEDULE	AS AT 31.03.06 AMT.	AS AT 31.03.05 AMT.
(A) SOURCES OF FUNDS			
SHARE HOLDERS' FUND			
Share Capital	A	1.99	1.99
Reserves & Surplus	B	0.27	(-)0.16
		<u>2.26</u>	<u>1.83</u>
LOAN FUNDS			
Secured Loans	C	0.00	0.00
Unsecured Loans	D	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
DEFERRED TAX LIABILITY			
Deferred tax liability		0.00	0.00
Deferred tax assets		0.00	0.12
		<u>0.00</u>	<u>(-)0.12</u>
TOTAL-		<u>2.26</u>	<u>1.71</u>
(B) APPLICATION OF FUNDS			
FIXED ASSETS	E		
Gross Block		0.10	0.08
Less : Depreciation		0.10	0.08
Net Block		<u>0.00</u>	<u>0.00</u>
Add : Capital work in Progress		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
INVESTMENTS	F	1.50	0.00
CURRENT ASSETS, LOANS & ADVANCES	G		
Inventories		0.00	0.75
Sundry Debtors		3.83	0.00
Cash & Bank Balances		0.99	0.42
Loans & Advances		0.02	0.93
		<u>4.84</u>	<u>2.10</u>
Less : Current Liabilities	H	4.07	0.39
Provisions	I	0.01	0.00
		<u>4.08</u>	<u>0.39</u>
Net Current Assets		<u>0.76</u>	<u>1.71</u>
MISCELLANEOUS EXPENDITURE		<u>0.00</u>	<u>0.00</u>
(To the extent not written off or adjusted)			
TOTAL-		<u>2.26</u>	<u>1.71</u>
Significant Accounting Policies	R		
Notes forming part of the Accounts	S		

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2006

(Rs. In Crores)

	SCHEDULE	FOR THE YR. ENDED 31.03.2006 AMOUNT	FOR THE YR. ENDED 31.03.2005 AMOUNT
(A) INCOME			
Sales	J	23.47	5.42
Less : Excise Duty		0.00	0.00
		<u>23.47</u>	<u>5.42</u>
Net Sales		23.47	5.42
Other Income	K	0.48	0.00
TOTAL - "A"		<u>23.95</u>	<u>5.42</u>
(B) EXPENDITURE			
Cost of Goods Sold	L	22.82	5.25
Manufacturing Expenses	M	0.00	0.00
Employees' Cost	N	0.34	0.34
Administrative Expenses	O	0.21	0.09
Sales Expenses	P	0.00	0.00
Loss on Sale of Fixed Assets		0.00	0.00
Finance & Other Charges	Q	0.09	0.09
Depreciation [Rs.16348/-(P.Y. Rs.17035/-)]		0.00	0.00
TOTAL - "B"		<u>23.46</u>	<u>5.77</u>
Profit before Tax (A-B)		0.49	(-)0.35
Provision for Taxation			
- Current tax		0.01	0.00
- Deferred tax		0.12	(-)0.05
Profit after Tax		<u>0.36</u>	<u>(-)0.30</u>
Add: Balance of Profit from Previous Year		(-)0.45	(-)0.15
Profit available for appropriation		<u>(-)0.09</u>	<u>(-)0.45</u>
APPROPRIATION			
Balance carried to Balance Sheet		(-)0.09	(-)0.45
TOTAL		<u>(-)0.09</u>	<u>(-)0.45</u>
Earning per Ordinary Share of S\$ 1/- each (Basic & Diluted) (in Rs.)		4.236	(-)3.566
Significant Accounting Policies	R		
Notes forming part of the Accounts	S		

This is the Balance Sheet referred to in our report of even date
For KANTILAL PATEL & CO
CHARTERED ACCOUNTANTS

ASHWIN AMIN
PARTNER
MEMBERSHIP NO. : 35070

Date : 22nd July, 2006
Place : Ahmedabad

For and on behalf of Board of Directors

VIJAYKUMAR GUPTA
(DIRECTOR)

MANISH GUPTA
(DIRECTOR)

Date : 22nd July, 2006
Place : Ahmedabad

This is the Profit & Loss Account referred to in our report of even date
For KANTILAL PATEL & CO
CHARTERED ACCOUNTANTS

ASHWIN AMIN
PARTNER
MEMBERSHIP NO. : 35070

Date : 22nd July, 2006
Place : Ahmedabad

For and on behalf of Board of Directors

VIJAYKUMAR GUPTA
(DIRECTOR)

MANISH GUPTA
(DIRECTOR)

Date : 22nd July, 2006
Place : Ahmedabad

Gujarat Ambuja International Pte. Ltd. (Incorporated in Singapore)
SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2006

(Rs. In Crores)

	AS AT 31.03.2006	AS AT 31.03.2005		AS AT 31.03.2006	AS AT 31.03.2005
SCHEDULE "A" SHARE CAPITAL			SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES		
Authorised			Current Assets		
1000000 (P.Y.1000000) Ordinary shares of	2.33	2.33	1 Inventories		
S\$ 1/- each converted in			(As taken, Valued & Certified by the management)		
Indian Rupee at the Balance Sheet Date	2.33	2.33	Finished Goods	0.00	0.75
				0.00	0.75
Issued, Subscribed and Paid Up Capital			2 Sundry Debtors		
854212 (P.Y.854212) Ordinary Shares of	1.99	1.99	(Unsecured, Considered Good)		
S \$ 1/- each fully paid converted in Indian Rupees	1.99	1.99	Others	3.83	0.00
				3.83	0.00
SCHEDULE "B" RESERVE & SERPLUS			3 Cash & Bank Balances		
Translation Reserve			Cash on Hand [Rs.8259/- (P.Y.Rs.185/-)]	0.00	0.00
As per last account	0.27	0.22	Balance with Banks		
Add : Additions / Adjustments during the year	0.09	0.05	(a) on Current account	0.55	0.01
	0.36	0.27	(b) on Fixed Deposit account	0.44	0.41
Exchange Reserve				0.99	0.42
As per last account	0.02	0.04	4 Loans & Advance (Unsecured, Considered Good)		
Add : Additions / Adjustments during the year	(-0.02)	(-0.02)	Advances recoverable in cash or in kind or for value	0.01	0.01
	0.00	0.02	to be received		
Profit and Loss Account	(-0.09)	(-0.45)	Advances for Goods & Expenses	0.01	0.92
	0.27	(-0.16)		0.02	0.93
SCHEDULE "C" SECURED LOANS			SCHEDULE "H" CURRENT LIABILITIES		
A Term Loans	0.00	0.00	Creditors for Goods & Expenses & other Liabilities	1.41	0.39
B Other Loans (Working Capital)	0.00	0.00	Suppliers Bills Discounted	2.66	0.00
	0.00	0.00		4.07	0.39
SCHEDULE "D" UNSECURED LOANS			SCHEDULE "I" PROVISIONS FOR TAXATION		
	0.00	0.00	Current Tax	0.01	0.00
	0.00	0.00		0.01	0.00
SCHEDULE "F" INVESTMENTS					
UNQUOTED LONG TERM INVESTMENTS (AT COST)					
300000 (P.Y.Nil) Equity Shares of INR Rs.10/- of	1.50	0.00			
Jupiter Corporate Services Ltd.	1.50	0.00			

SCHEDULE "E" FIXED ASSETS

Sr. No.	Particulars	Gross Block			Depreciation			Net Block	
		As At 01.04.05	Additions/ (Deductions) during the year	Total As At 31.03.06	As At 01.04.05	For the year	Deductions during the year	As At 31.03.06	As At 31.03.05
1	Furniture & Fixtures	0.04	0.00	0.04	0.04	0.00	0.00	0.04	0.00
2	Office Equipments	0.05	0.01	0.06	0.05	0.00	(-)0.01	0.06	(Rs.26/-)
	TOTAL :	0.09	0.01	0.10	0.09	0.00	(-)0.01	0.10	0.00
	Previous year	0.08	0.00	0.08	0.08	0.00	0.00	0.08	(Rs.220/-)
									0.00
									(Rs.33421/-)
									(Rs.33449/-)
									0.00
									(Rs.246/-)
									(Rs.17605/-)

Note : Figures in bracket are amount in Rupees.

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

(Rs. In Crores)

	Yr. Ended 31.03.2006	Yr. Ended 31.03.2005		Yr. Ended 31.03.2006	Yr. Ended 31.03.2005
SCHEDULE "J" SALES			SCHEDULE "O" ADMINISTRATIVE EXPENSES		
Sales	23.47	5.42	Electric Expenses [Rs.8875/- (P.Y.Rs.5181/-)]	0.00	0.00
	23.47	5.42	Printing, Stationery, Postage & Telephone	0.02	0.02
SCHEDULE "K" OTHER INCOME			Legal & Professional Expenses	0.00	0.01
Miscellaneous Income	0.48	0.00	Rent	0.05	0.04
	0.48	0.00	Payment to Auditors		
SCHEDULE "L" COST OF GOODS SOLD			For Audit	0.01	0.01
Opening Stock			General Administrative Charges	0.13	0.01
Finished Goods	0.75	0.73		0.21	0.09
Add : Material Purchased / acquired	22.07	5.27	SCHEDULE "P" SALES EXPENSES		
	22.82	6.00		0.00	0.00
Less : Closing Stock				0.00	0.00
Finished Goods	0.00	0.75	SCHEDULE "Q" FINANCE & OTHER CHARGES		
Total Cost of Goods Sold	22.82	5.25	Interest on Working Capital Loans	0.01	0.02
SCHEDULE "M" MANUFACTURING EXPENDITURE			Bank and Other Financial Charges	0.09	0.04
	0.00	0.00	Swapping , Forex & Other Expenses	0.00	0.04
	0.00	0.00		0.10	0.10
SCHEDULE "N" EMPLOYEES COST			LESS : INCOME		
Salary, Wages & Bonus	0.33	0.33	Interest on Bank Deposits	0.01	0.01
Contribution to Provident Fund & Other Funds	0.01	0.01		0.01	0.01
	0.34	0.34	Net Expenditure	0.09	0.09



GUJARAT AMBUJA EXPORTS LIMITED

Gujarat Ambuja International Pte. Ltd. (Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2006

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 2006 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

The company is incorporated as a limited liability company and domiciled in the Republic of Singapore.

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 "2" (2005: 1) employees as at 31 March 2006.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) SYSTEM OF ACCOUNTING

- The accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- All expenditure and income to the extent considered payable and receivable respectively are accounted for on accrual basis except those with significant uncertainties.

b) Property, plant & equipment & depreciation

All items of property, plant and equipment are initially recorded at cost. All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight-line basis to write off or revealed amount of other property, plant and equipment over their useful lives. The estimated rates have been taken as follows: -

Computers & accessories	33 1/3 %
Furniture and Fittings	33 1/3 %
Office Equipment	33 1/3 %

Repairs and maintenance are taken to the profit and loss account during the financial period in which they are incurred. Interest on borrowings to finance the property, plant and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed. 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) Deferred income taxes

The company adopts the liability method of tax effect accounting. 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) CONVERSION TO INDIAN RUPEES

For the purpose of accounts, 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 at the year end are transferred to "Translation Reserve" account and the said account is being treated as "Reserve and Surplus"

3. TAXATION

(Rs. In Crores)

	2006 Rupees	2005 Rupees
Current year provision	0.01	0.00
Deferred Assets	0.00	(0.12)
	0.01	(0.12)

No provision for current period taxation is required, as the Company has incurred a tax loss under review, subject to finalisation by the Inland Revenue Authority 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:

(Rs. In Crores)

	2006 Rupees	2005 Rupees
Profit before taxation	0.49	(0.35)
Tax at statutory rate of 20% (2005: 20%)	0.10	(0.07)
Utilisation of deferred tax benefits previously	0.00	0.00
Not recognized	(0.08)	(0.05)
Others (2006: Rs. 6221)	(0.00)	0.00
Singapore statutory stepped income Exemption	(0.01)	0.00
	0.01	(0.12)

4. DEFERRED TAXATION

(Rs. In Crores)

	2006 Rupees	2005 Rupees
Balance b/f	(0.12)	(0.07)
Deferred tax assets on losses	(0.12)	(0.05)
Deferred tax liability on temporary Differences	0.00	0.00
Balance carried forward	0.00	(0.12)

5. INVESTMENT

(Rs. In Crores)

	2006 Rupees	2005 Rupees
Non marketable securities – at cost	1.50	0.00

The non-marketable securities in an unlisted company Jupiter Corporate Services Limited incorporated in India. It is not practicable to determine with sufficient reliability the fair value of the non-marketable securities. However, the directors do not believe that the carrying amount of the unquoted investment will not be significantly in excess of its fair value.

6. 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.

7. 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:

(Rs. In Crores)

	2006 Rupees	2005 Rupees
Purchases from holding company	0.38	1.37
Sales to holding company	0.13	0.00
Amount receivable as at 31 st March	0.00	0.89

8. CONTINGENT LIABILITIES

There are contingent liabilities outstanding against the company in the form of: -

(Rs. In Crores)

	2006 Rupees	2005 Rupees
Letters of Credit	1.69	0.00
Disputed Income Tax	0.00	0.07

9. HOLDING ULTIMATE & HOLDING COMPANY

The company's holding and ultimate company is Gujarat Ambuja Export Ltd, a company incorporated in India.

10. SIGNIFICANT EVENT

Gujarat Ambuja Exports Ltd. Split its Rs. 10/- share in to 5 Equity shares of Rs.2/- each during the year under consideration.

11. LEASE COMMITMENTS:

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

(Rs. In Crores)

	2006 Rupees	2005 Rupees
Payable within 1 year	0.05	0.00
Payable after 1 year	0.05	0.00

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation and/or changes and updates in the Singapore Financial Reporting Standard.

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

ASHWIN AMIN
PARTNER
MEMBERSHIP NO. : 35070

Date : 22nd July, 2006
Place : Ahmedabad

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

MANISH GUPTA
(DIRECTOR)

Date : 22nd July, 2006
Place : Ahmedabad



15TH ANNUAL REPORT 2005-2006

Consolidated Financial Statements

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

AUDITORS' REPORT

To the Board of Directors of Gujarat Ambuja Exports Ltd.

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

1 We have audited the attached Consolidated Balance Sheet of Gujarat Ambuja Exports Ltd. (the Company) and its subsidiary as at 31st March 2006, 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.

2 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.

3 We did not audit financial statements of a subsidiary, Gujarat Ambuja International Pte. Ltd., Singapore, whose financial statements reflect total assets of Rs.6,33,35,673/- as at 31st March, 2006 and total revenues of Rs.23,94,83,186/- 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.

4 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.

5 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 then accounting principles generally accepted in India,

a. In the case of Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31st, March, 2006.

b. 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

c. 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.

For KANTILAL PATEL & CO.

CHARTERED ACCOUNTANTS

ASHWIN AMIN

PARTNER

MEMBERSHIP NO. : 35070

Date : 22nd July, 2006

Place : Ahmedabad

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2006

[Rupees in Crores]

Sr. No	PARTICULARS	YEAR 2005-06 RS.	YEAR 2004-05 RS.
A.	CASH FLOW FROM OPERATING ACTIVITIES:-		
	NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR	45.98	30.64
	Depreciation	23.77	23.58
	Interest Paid	12.33	8.47
	Interest Received	-4.82	-2.32
	Dividend Received [(Rs 48336/- (P.Y.52601/-)]	-0.03	-0.01
	Profit/Loss on Sales of Investment	-0.37	-0.06
	Profit/Loss on Sales of Assets	0.92	0.44
		31.80	30.10
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES,ADJUSTMENTS FOR	77.78	60.74
	Trade and other Receivables	-3.74	20.74
	Inventories	-97.93	84.37
	Trade Payables	-44.09	33.96
		-67.98	199.81
	CASH GENERATED FROM OPERATIONS	-67.98	199.81
	CASH FLOW BEFORE EXTRAORDINARY ITEMS		
	EXTRAORDINARY ITEMS :		
	Dividend & Tax on Distribution	-3.81	-3.49
	Tax Provision	-2.60	-0.33
		-74.39	195.99
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	-74.40	-51.04
	Sales of Fixed Assets	1.28	0.27
	Purchase of Investments	-3.37	-3.68
	Sales/Share reduction of Investments	2.60	4.38
	Interest Received	4.83	2.32
	Dividend Received [(Rs 48336/- (P.Y.52601/-)]	0.03	0.01
	NET CASH GENERATED IN INVESTING ACTIVITIES	-69.03	-47.74
		-143.42	148.25
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Surplus on Amalgamation	0.00	0.00
	Repayment/Proceeds from Bank Borrowings	93.79	-86.30
	Capital Subsidy received	0.00	0.00
	Proceeds from Unsecured Loans	-0.15	0.15
	Interest Paid	-12.33	-8.47
	NET CASH USED IN FINANCING ACTIVITIES	81.31	-94.62
D.	OTHERS		
	Consolidation Adjustments	0.07	0.01
	NET INCREASE IN CASH & CASH EQUIVALENTS	-62.04	53.64
	Cash & Cash Equivalents as at (Opening Balance) 01/04/2005	67.57	13.93
	Cash & Cash Equivalents as at (Closing Balance) 31/03/2006	5.53	67.57
		-62.04	53.64

1 The Cash flow statement has been prepared by the indirect method as set out in the accounting standard - 3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.

2 Cash and cash equivalents include :	As at	As at
	31.03.2006	31.03.2005
Cash in hand(including cheques on hand)	0.34	0.33
With Scheduled Banks on :		
Current Accounts	3.85	6.29
Bank-Dividend Account	0.73	0.11
Short term Deposits	0.61	60.84
	5.53	67.57

3 Corresponding figures of the previous year have been regrouped wherever necessary to confirm to current year's figures.

This is the Cashflow Statement referred to in our report of even date
FOR, KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
ASHWIN AMIN
PARTNER
MEMBERSHIP NO. : 35070

For and on behalf of the Board of Directors

VJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)
MANISH V.GUPTA
(MANAGING DIRECTOR)
KAUSHIK C. KHONA
(CHIEF FINANCIAL OFFICER & COMPANY SECRETARY)
PLACE : AHMEDABAD
Date : 22nd July, 2006

PLACE : AHMEDABAD
Date : 22nd July, 2006



GUJARAT AMBUJA EXPORTS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2006

[Rupees in Crores]

SCHEDULE	AS AT 31.03.2006	AS AT 31.03.2005
AMOUNT	AMOUNT	AMOUNT
(A) SOURCES OF FUND		
SHARE HOLDERS' FUND		
Share Capital A	27.86	27.86
Reserves & Surplus B	234.89	207.95
	262.75	235.81
LOAN FUNDS		
Secured Loans C	211.06	117.28
Unsecured Loans D	0.82	0.96
	211.88	118.24
DEFERRED TAX LIABILITY		
Deferred tax liability	36.40	26.20
Deferred tax assets	0.80	1.22
	35.60	24.98
TOTAL	510.23	379.03
(B) APPLICATION OF FUNDS		
FIXED ASSETS E		
Gross Block	355.58	286.73
Less : Depreciation	136.44	115.89
Net Block	219.14	170.84
Add : Capital work in Progress	0.28	0.15
	219.42	170.99
INVESTMENTS F	6.31	5.17
CURRENT ASSETS, LOANS & ADVANCES G		
Inventories	227.15	129.22
Sundry Debtors	69.85	61.83
Cash & Bank Balances	5.53	67.57
Loans & Advances	2.67	6.95
	305.20	265.57
Less : Current Liabilities	12.41	57.26
Provisions H	8.29	5.44
	20.70	62.70
Net Current Assets	284.50	202.87
MISCELLANEOUS EXPENDITURE	NIL	NIL
(To the extent not written off or adjusted)		
TOTAL	510.23	379.03
Significant Accounting Policies R		
Notes forming part of the Accounts S		

This is the Balance Sheet referred to in our report of even date
FOR, KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

ASHWIN AMIN
PARTNER
Membership No.: 35070

PLACE : AHMEDABAD
Date : 22nd July, 2006

For and on behalf of the Board of Directors

VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)
MANISH V.GUPTA
(MANAGING DIRECTOR)
KAUSHIK C.KHONA
(CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY)

PLACE: AHMEDABAD
Date : 22nd July, 2006

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2006

[Rupees in Crores]

SCHEDULE	FOR THE YEAR ENDED 31.03.2006	FOR THE YEAR ENDED 31.03.2005
AMOUNT	AMOUNT	AMOUNT
(A) INCOME		
Sales J	1321.39	1129.81
Less : Excise Duty	5.19	11.60
Net Sales	1316.20	1118.21
Other Income K	0.50	0.13
TOTAL - "A"	1316.70	1118.34
(B) EXPENDITURE		
Cost of Goods Sold L	1085.03	920.22
Manufacturing Expenses M	58.52	56.77
Employees' Cost N	20.48	16.89
Administrative Expenses O	8.13	6.45
Sales Expenses P	66.36	57.20
Loss on Sale of Fixed Assets	0.92	0.44
Finance & Other Charges Q	7.51	6.14
Depreciation	23.77	23.59
TOTAL - "B"	1270.72	1087.70
Profit before Tax (A-B)	45.98	30.64
Provision for Taxation		
- Current tax	4.54	1.15
- Deferred tax	10.62	3.69
- Fringe benefit tax	0.15	0.00
- Less : Excess Provision of Earlier Years Written Back	0.00	(-)0.82
Profit after Tax	30.67	26.62
Add: Balance of Profit from Previous Year	66.94	46.00
Add: Exchange Reserve	(-)0.01	0.81
Profit available for appropriation	97.60	73.43
APPROPRIATION		
Transferred to General Reserve	4.00	3.00
Proposed Dividend 12% p.a. (P.Y. 11%p.a.)	3.34	3.06
Provision for Dividend Distribution Tax	0.47	0.43
Balance carried to Balance Sheet	89.79	66.94
TOTAL	97.60	73.43
Earning per Equity Share of Rs.2/- each (Basic & Diluted)	2.201	1.911
Significant Accounting Policies R		
Notes forming part of the Accounts S		

This is the Profit & Loss Account referred to in our report of even date
FOR, KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

ASHWIN AMIN
PARTNER
Membership No.: 35070

PLACE : AHMEDABAD
Date : 22nd July, 2006

For and on behalf of the Board of Directors

VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)
MANISH V.GUPTA
(MANAGING DIRECTOR)
KAUSHIK C.KHONA
(CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY)

PLACE: AHMEDABAD
Date : 22nd July, 2006

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2006

Rs. in Crores

	AS AT 31.03.2006	AS AT 31.03.2005		AS AT 31.03.2006	AS AT 31.03.2005
SCHEDULE "A" SHARE CAPITAL			SCHEDULE "F" INVESTMENTS (AT COST) Cont.		
AUTHORISED			50757 [P.Y. Nil] Equity shares IDFC Ltd. of Rs. 10/- each fully paid up [Market value Rs.3380416/- P.Y.Rs.Nil]	0.17	0.00
250000000(P.Y.30000000) Equity shares of Rs.2 each (P.Y.Rs 10/- each)	50.00	30.00	5[P.Y. 5] Equity shares of Maral Overseas Ltd.of Rs.10/- each fully paid up.[Market value Rs.146/-] (P.Y.Rs. 169/-)	0.00	0.00
	50.00	30.00	Nil [P.Y. 3677] Equity shares Punjab National Bank Ltd of Rs. 10/- each fully paid up.[Market value Rs.Nil/-] (P.Y.Rs.1446164/-)	0.00	0.14
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			33770 [P.Y. 83793] Equity shares NTPC of Rs.10/- each fully paid up.[Market value Rs.4528557/-] (P.Y.Rs7181060/-)	0.21	0.52
139318490 (P.Y.27863698) Equity Share of Rs.2/- each (P.Y.Rs 10/- each fully paid, Since split in to 5 shares of Rs.2/-each)	27.86	27.86	100[P.Y. 100] Equity shares of Riddhi Siddhi Starch Ltd. of Rs.10/- each fully paid up.[Market value Rs.19385/-] (P.Y.Rs. 2345/-)	0.00	0.00
i. Includes 31500000 (P.Y.6300000) Equity shares of Rs.2/- each (P.Y.Rs 10/- each fully paid, since split in to 5 shares of Rs.2/-each) issued at a premium of Rs.1 per share of Rs 10/- each on conversion of Optionally Convertible Unsecured debentures			IN MUTUAL FUND [UNQUOTED]		
ii. Includes 82188910 (P.Y.16437782) Equity shares of Rs.2/- each (P.Y.Rs 10/- each fully paid, since split in to 5 shares of Rs.2/-each) fully paid allotted on 30.4.99 in exchange of shares on amalgamation for consideration other than cash.			250000 [P.Y. Nil] Units of Reliance Mutual Fund of Rs.10/- each [NAV Rs.2540000/-] (P.Y.Rs. Nil)	0.25	0.00
iii. 31085420 (P.Y.6217084) Equity shares of Rs.2/- each (P.Y.Rs.10/- each fully paid, since split in to 5 shares of Rs.2/-each) reduced as per Scheme of arrangement approved by Honourable Gujarat High Court order dated 17th February 2003.			270000 [P.Y. Nil] Units of Kotak Lifestyle Mutual Fund of Rs.10/- each [NAV Rs.2780460/-] (P.Y.Rs. Nil)	0.27	0.00
iv. Includes 20490000 (P.Y.4098000/-) Equity Shares of Rs.2/- each (P.Y.Rs 10/- each fully paid, since split in to 5 shares of Rs.2/-each) fully paid, allotted on 31.1.2004 in exchange of shares on amalgamation for consideration other than cash.			UNQUOTED (EQUITY SHARES)		
	27.86	27.86	10000[P.Y. 10000] Equity shares of Kalapur Com. Co-Op Bank Ltd. of Rs 25/- each fully paid up.	0.02	0.02
SCHEDULE "B" RESERVES & SURPLUS			IN OTHERS		
General Reserve			2083580 [P.Y. 2083580] Equity Shares of Royale Exports Ltd, Srilanka each of Rs. 10/-of Srilankan Rupees	0.98	0.98
Balance as per last Balance Sheet	133.02	130.02	689490 [P.Y.689490] Equity shares of Jupiter Corporate Services Ltd. of Rs 10/- each fully paid up.	3.44	3.43
Add Transferred from Profit & Loss Account	4.00	3.00	GOVERNMENT SECURITY		
	137.02	133.02	National Saving Certificates	0.02	0.02
Capital Subsidy			[Lodged with Sales tax & Other Government authorities]	6.31	5.17
Balance as per last Balance Sheet	0.65	0.65			
Amalgamation Reserve Account			AGGREGATE COST OF QUOTED INVESTMENTS (in Rs.)	13360867	7223946
Balance as per last Balance Sheet	0.02	0.02	AGGREGATE COST OF MUTUAL FUND (in Rs.)	5200000	0
Capital Reserve			AGGREGATE COST OF UNQUOTED INVESTMENTS (in Rs.)	44575459	44503506
As per last Account	0.27	0.16	MARKET VALUE OF QUOTED INVESTMENTS (in Rs.)	19985756	9555607
Add Addition / Adjustments during the year	0.09	0.11	NAV OF MUTUAL FUND (in Rs.)	5320460	0
	0.36	0.27	SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES		
Exchange Reserve			Current Assets		
As per last Account	(-) 0.05	0.87	1 Inventories		
Add Addition / Adjustments during the year	(-) 0.01	(-) 0.93	(As taken, Valued & Certified by the management)		
	(-) 0.06	(-) 0.06	Finished Goods	69.35	46.25
Securities Premium Account			Work in Process	2.13	1.87
Balance as per last Balance Sheet	0.89	0.89	Raw Materials	148.77	74.24
Capital Redemption Reserve			Packing Materials	1.55	0.89
Balance as per last Balance Sheet	6.22	6.22	Stores & Spares, Coal, Diesel, Furnace Oil	5.35	5.97
Surplus as per Profit and Loss Account	89.79	66.94		227.15	129.22
	234.89	207.95	2 Sundry Debtors		
SCHEDULE "C" SECURED LOANS			(Unsecured, Considered Good)		
(A) Term Loans			Outstanding for a period exceeding six months	0.00	0.22
Secured by Fixed Assets to be funded under the TUF scheme specifically charged by way of hypothecation [P.Y. Secured by a first charge/mortgage/on all movable fixed assets, other than at Jaipur and personal guarantee of three promoter Directors. Repayable within one year Rs.12500000/- P.Y Rs. 50720711/-]			Others	69.85	61.61
- From Banks	10.37	5.07		69.85	61.83
- Interest accrued and due on above	0.00	0.01	3 Cash & Bank Balances		
	10.37	5.08	Cash on Hand	0.33	0.33
(B) Other Loans - Working Capital			Balance with Banks		
Secured by a hypothecation on current assets and Mortgage on certain movable/ immovable fixed assets (other than at Jaipur) and personal guarantee, mortgage and security of personal assets of three promoter directors and against lien on Fixed Deposits.			With Scheduled Banks		
- From Banks	200.69	112.20	(a) on Current accounts	3.80	6.32
	211.06	117.28	(b) on Fixed Deposit accounts	1.25	60.92
SCHEDULE "D" UNSECURED LOANS			(with Bank as Lien as margin money for line of credit)		
Dealers' & Distributors' Deposits	0.82	0.96	With Other Banks		
	0.82	0.96	(a) on Current accounts	0.15	0.00
SCHEDULE "E" INVESTMENTS (AT COST)			Shri Kadi Nagrik Sahakari Bank Ltd Rs 23279/- (P.Y. Rs 24359/-)		
(LONG TERM INVESTMENTS)			(Maximum balance outstanding during the year Rs. 24359/- P.Y Rs. 2019878/-)		
QUOTED (EQUITY SHARES)			The Akola Janta Comm.Co.Op. Bank Ltd Rs 1470622/- (P.Y. Rs Nil)		
100[P.Y. 10] Equity share of Adani Exports Ltd. of Rs.1/- each (P.Y.Rs.10/- each fully paid up.)[Market value Rs.5985/-] (P.Y.Rs.597.50/-)	0.00	0.00	(Maximum balance outstanding during the year Rs. 1493901/- P.Y Rs.4932721 /-)	5.53	67.57
20302[P.Y.Nil] Equity shares of Andhra Bank of Rs. 10/- each fully paid up.[Market value Rs.1639386/-] (P.Y.Rs.Nil/-)	0.18	0.00	4 Loans & Advances (Unsecured, Considered Good)		
25[P.Y. 25] Equity shares of Arvind Mills Ltd. of Rs.10/- each fully paid up.[Market value Rs.2512/-] (P.Y.Rs.2876/-)	0.00	0.00	Advances recoverable in cash or in kind or for value to be received	0.51	4.05
16598 [P.Y. Nil] Equity shares Bank of Baroda of Rs 10/- each fully paid up.[Market value Rs.3826668/-] (P.Y.Rs. Nil)	0.38	0.00	Advances for Goods & Expenses	0.80	1.00
8232 [P.Y. 8232] Equity shares Gateway Distriparks Ltd. of Rs.10/- each fully paid up.[Market value Rs.2087223/-] (P.Y.Rs.922396/-)	0.06	0.06	Excise Balances	1.26	1.63
121797 [P.Y.Nil] Equity shares Guj. State Petronet Ltd. of Rs.10/- each fully paid up.[Market value Rs.4476039/-] (P.Y.Rs.Nil)	0.33	0.00	Tax Balances Current Tax -(Advance Tax Less Provisions)	0.10	0.27
33[P.Y.Nil] Equity shares of ICICI Bank Ltd. of Rs.10/- each fully paid up.[Market value Rs.19439/-] (P.Y.Rs. Nil/-)	0.00	0.00		2.67	6.95
			SCHEDULE "H" CURRENT LIABILITIES		
			Creditors for Capital goods	1.09	2.64
			Creditors for Goods & Expenses & other Liabilities	7.92	54.07
			Suppliers Bills Discounted	2.66	0.00
			Unclaimed Dividend	0.74	0.55
				12.41	57.26
			SCHEDULE "I" PROVISIONS		
			Proposed Dividend	3.81	3.49
			(Including Dividend Distribution Tax Rs.4689462/- P.Y Rs. 3907884/-)		
			Tax Balances Current Tax - (Provisions Less Advance Tax)	2.09	0.00
			Provision for Retirement Benefits		
			Gratuity	1.89	1.54
			Leave Encashment	0.50	0.41
				8.29	5.44



GUJARAT AMBUJA EXPORTS LIMITED

SCHEDULE "E" FIXED ASSETS

Rs. in Crores

SR No.	PARTICULARS	Gross Block			Depreciation				Net Block	
		As at 01.04.2005	Additions / (Deductions) During the year	Total as at 31-03-2006	As at 01-04-2005	For the year	Deduction during the year	Total as at 31-3-2006	As at 31-3-2006	As at 31-3-2005
1	Free Hold Land	2.93	0.11	3.04	0.00	0.00	0.00	0.00	3.04	2.93
2	Lease Hold Land	0.64	0.00	0.64	0.00	0.00	0.00	0.00	0.64	0.64
3	Factory Building	52.06	3.17	55.23	16.21	1.69	0.00	17.90	37.33	35.85
4	Non-Factory Building & Colony	6.77	0.99	7.76	1.47	0.13	0.00	1.60	6.16	5.30
5	Plant & Machinery	189.05	42.66 (4.09)	227.62	79.43	18.22	2.94	94.71	132.91	109.62
6	Wind Mill	0.00	16.58	16.58	0.00	0.16	0.00	0.16	16.42	0.00
7	Electric Supply System	7.14	0.97	8.11	4.01	0.68	0.00	4.69	3.42	3.13
8	Vehicles	2.91	0.54 (0.35)	3.10	1.34	0.28	0.07	1.55	1.55	1.57
9	Furniture & Fixtures	1.75	0.10	1.85	1.08	0.16	0.00	1.24	0.61	0.67
10	Office Equipments	2.29	0.29	2.58	0.86	0.25	(-) 0.01	1.12	1.46	1.43
11	D.G.Set	18.81	8.40 (0.99)	26.22	10.47	2.02	0.22	12.27	13.95	8.34
12	Temple	0.24	0.00	0.24	0.03	0.01	0.00	0.04	0.20	0.21
13	Factory Road	0.55	0.46	1.01	0.05	0.01	0.00	0.06	0.95	0.50
14	Effluent Treatment Plant	1.09	0.01	1.10	0.69	0.11	0.00	0.80	0.30	0.40
15	Trade Mark	0.50	0.00	0.50	0.25	0.05	0.00	0.30	0.20	0.25
	TOTAL :	286.73	68.85	355.58	115.89	23.77	3.22	136.44	219.14	170.84
	CAPITAL WORK IN PROGRESS	0.04	0.24	0.28	0.00	0.00	0.00	0.00	0.28	0.04
	CAPITAL ADVANCE	0.11	(0.11)	0.00	0.00	0.00	0.00	0.00	0.00	0.11
	TOTAL :	286.88	68.98	355.86	115.89	23.77	3.22	136.44	219.42	170.99
	Previous year	237.98	48.90	286.88	93.74	23.59	1.44	115.89	170.99	144.24

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

Rs. in Crores

	YR. ENDED 31.03.2006	YR. ENDED 31.03.2005
SCHEDULE "J" SALES		
Export Sales [FOB Value Rs4104753275/- (P.Y.Rs 4068548509/-)]	432.79	428.52
Domestic Sales	888.60	701.29
	1321.39	1129.81
SCHEDULE "K" OTHER INCOME		
Dividend {(Gross Rs 331665/- (TDS Rs.Nil))}	0.03	0.01
{(P.Y. Rs 48336/- (TDS Rs.Nil))}		
Miscellaneous Income	0.10	0.06
Profit on Sale of Investments [Net]	0.37	0.06
Foreign Exchange Fluctuation [Net]	0.00	0.00
	0.50	0.13
SCHEDULE "L" COST OF GOODS SOLD		
Opening Stock		
Raw Materials	74.24	128.55
Work-in-Process	1.87	2.01
Finished Goods	46.25	74.29
Packing Material	0.89	1.08
Add : Material Purchased / acquired	1186.59	857.43
	1309.84	1063.36
Less : Sale of Raw Materials	3.01	19.89
	1306.83	1043.47
Less : Closing Stock		
Raw Material	148.77	74.24
Work-in-Process	2.13	1.87
Finished Goods	69.35	46.25
Packing Material	1.55	0.89
	221.80	123.25
Total Cost of Goods Sold	1085.03	920.22
SCHEDULE "M" MANUFACTURING EXPENDITURE		
Stores & Spares Consumed	7.07	8.18
Power,Electricity,Diesel,LDO & Fuel Expenses	27.82	29.18
Coal ,Castor DOC & Fuel Consumed	15.21	10.37
Repairs : Plant & Machinery	1.00	1.02
Building	0.54	0.91
Others	0.24	0.28
Insurance [Net of Claims]	0.89	0.79
Other Manufacturing Expenses	5.75	6.04
	58.52	56.77
SCHEDULE "N" EMPLOYEES COST		
Salary,Wages & Bonus	18.78	15.72
Gratuity	0.52	0.24
Leave Encashment	0.20	0.00
Contribution to Provident Fund & Other Funds	0.98	0.93
	20.48	16.89

	YR. ENDED 31.03.2006	YR. ENDED 31.03.2005
SCHEDULE "O" ADMINISTRATIVE EXPENSES		
Conveyance & Travelling Expenses [Including Directors Travelling Rs. 4269512/- (P.Y. Rs. 663496/-)]	0.87	0.80
Electric Expenses	0.39	0.41
Vehicle Maintenance Expenses	0.73	0.62
Insurance Expenses	0.62	0.19
Printing,Stationery, Postage & Telephone	1.44	1.40
Legal & Professional Expenses	1.19	0.97
Rent	0.17	0.30
Rates & Taxes	0.16	0.16
Donations	0.11	0.03
Payment to Auditors		
For Audit	0.09	0.06
For Tax Audit	0.02	0.02
For Others	0.03	0.00
General Administrative Charges	2.31	1.49
	8.13	6.45
SCHEDULE "P" SALES EXPENSES		
For Domestic Sales		
Local Sales Expenses	6.22	7.49
Commission & Brokerage	1.17	0.00
Sales Tax,C.S.T & Octroi	11.09	8.31
	18.48	15.80
For Export Sales		
Exports Sales Expenses	48.01	41.40
Commission & Brokerage	(-)0.14	0.00
Insurance { Rs.126856/- (P.Y. Rs. 40002/-)}	0.01	0.00
	47.88	41.40
	66.36	57.20
SCHEDULE "Q" FINANCE & OTHER CHARGES		
Interest on Fixed Loans	0.08	0.21
Interest on Working Capital Loans	5.07	3.01
Other Interest	0.04	0.05
Bank and Other Financial Charges	7.03	5.13
Swapping , Forex & Other Expenses	0.11	0.06
	12.33	8.46
LESS : INCOME		
Interest on Bank Deposits (Gross)	4.71	2.27
[TDS: Rs 10483964/- (P.Y. TDS Rs. 4796452/-)]		
Interest on Others (Gross) (TDS Rs. 22792/-) (P.Y.TDS Rs. Nil)	0.11	0.05
	4.82	2.32
Net Expenditure	7.51	6.14



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SCHEDULE "R" NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

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 (GAJPL). 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 excess of Company's share of equity and reserves of the subsidiary company as at the time of its investment is treated as 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, 2006	Reporting Date
Gujarat Ambuja International Pte Ltd	Singapore	100%	31.03.2006

Note: There is no change in above details since the reporting date 31.03.2006.

4. Exchange adjustments

In case of GAJPL, 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 exchange rate difference in reserves/surplus.

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 "S" NOTES ON ACCOUNTS

[RS. IN CRORES]

1. Contingent liabilities not provided for in respect of

PARTICULARS	2005-06	2004-05
(a) Claims against the Company /disputed liabilities not acknowledge as debts	6.54	6.54
(b) Disputed Income Tax, Excise, Sales Tax, Motor Spirit Tax claims	13.81	23.35
(c) Estimated Amount of Contract Pending execution on Capital Account [Net of Advances of Rs 0.10 Crores (P.Y.Rs 0.11 Crores)]	1.46	0.86
(d) Letter of Credit & Bank Guarantee [Net of Margin Money Rs 58.17 Crores (P.Y.Rs 60.34 Crores) & discharged since then]	11.77	80.91
(e) Corporate guarantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte.Ltd	13.34	13.09
	(USD 3 Mn)	(USD 3 Mn)

Note: Outflow in respect of above disputes/Contingencies is dependent upon final outcome of the disputes or ultimate agreement to resolve the differences.

2. a) In case of GAEL (Holding Company), Tax liability under normal provisions of the Income Tax Act 1961 is calculated and provided in the accounts.

b) Deferred Tax: Major Components of Deferred tax liabilities and Deferred tax assets.

PARTICULARS	As At 31st March 2006	As At 31st March 2005
Deferred tax liabilities		
(i) Depreciation	36.40	26.20
(ii) Other Provisions	0.00	0.00
Total	36.40	26.20
Deferred tax Assets		
(i) Provisions - 43 B items	0.80	0.00
(ii) Unabsorbed Depreciation/Loss	0.00	1.22
Total	0.80	1.22
Net Deferred tax liability	35.60	24.98

3. Sales includes realised gain of exchange of forward exchange contracts entered into primarily for hedging purpose Rs 4.62 Crores (net) [P.Y.Rs 8.47 Crores (net)]

4. Foreign Exchange Derivatives and exposures not hedged at close of the year.

(A) Foreign Exchange Exposure Hedged

Nature of Instrument	Currency	Sale / Purchase	March 31, 2006	March 31, 2005
Forward Contracts	USD	SALE	82.37	31.74
Option Contracts				
BUY PUT (OR)	USD	SALE	35.60	80.62
SELL CALL	USD	SALE	62.25	170.49
USD PUT CHF CALL OR	CHF	SALE	31.05	0.00
CHF PUT USD CALL	CHF	SALE	31.05	0.00
Receivable	USD		17.01	11.40
	EURO		0.00	0.31

All contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

(B) Exposure not hedged

Nature of Instrument	Currency	March 31, 2006	March 31, 2005
Payable	USD	45.25	105.60
	CHF	13.78	0.00
	EURO	5.78	0.00
	DKK	2.80	0.00
LC Opened Liability	USD	12.08	58.45
(Goods to be Received)	EURO	0.55	0.00

Note: USD = US Dollar; DKK = Danish Kronish Kronier; CHF = Swiss Franc

5. Borrowing costs capitalised during the year: Rs.1.79 Cr. (P.Y. Rs. Nil)

6. As per the information available with the company there are no small scale industrial undertakings to whom the company owed a sum remained outstanding for more than 30 days as at the end of the financial year.

7. Earning per Share (EPS)

PARTICULARS	2005-06	2004-05
Net profit as per Profit & Loss Account	30.67	26.62
No. of Equity Shares as at year end. (Previous year's figures restated)	139318490	139318490
No. of Equity Shares considered as denominator.	139318490	139318490
Earning per Share (Basic & Diluted) (in Rs.)	2.201	1.911

Note: The Equity Shares of Rs.10/- was subdivided into 5 Equity Shares of Rs. 2 each. Hence the EPS for the year is calculated on Shares of Rs. 2/-

8. Segment Information for the year ended 31st March 2006

	2005-06					2004-05			
	Cotton Yarn	Agro Processing	Wind Mill	Elimination	Total	Cotton Yarn	Agro Processing	Elimination	Total
(A) Revenue :									
External Sales	131.41	1184.29	0.50	0.00	1316.20	133.51	984.70	0.00	1118.21
Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Revenue	131.41	1184.29	0.50	0.00	1316.20	133.51	984.70	0.00	1118.21
(B) Result: (Profit before Int.& tax)									
Segment Result	12.75	45.05	0.34	0.00	58.14	-0.19	43.42		43.23
Less: Unallocated Corporate Expenses					-5.05				-6.45
Add: Unallocated Corporate Income					0.40				0.00
Operating Profit					53.49				36.78
Interest Expenses					-7.51				-6.14
Interest /Dividend Income					0.00				0.00
Current Tax (Dr.)					-4.54				-1.15
Deferred Tax (Dr.)					-10.62				-3.69
Less: Excess Pro. of Earlier Years					-0.15				0.82
Written Back / FBT									
Net Profit					30.67				26.62
(C) Other Information									
Segment Assets	132.10	376.01	16.41	0.00	524.52	125.96	311.89		437.85
Unallocated Corporate Assets			0.00	6.41	6.41			5.17	5.17
Total Assets	132.10	376.01	16.41	6.41	530.93	125.96	311.89	5.17	443.02
Segment Liabilities	12.42	216.24	1.09	0.00	229.75	21.34	151.76		173.10
Unallocated Corp Liab.			38.43	38.43	76.86			34.10	34.10
Total Liabilities	12.42	216.24	1.09	38.43	268.18	21.34	151.76	34.10	207.20
Net Assets	119.68	159.77	15.32	-32.02	262.75	104.62	160.13	-28.93	235.82
Capital Expenditure (Net) Capitalised	38.20	14.06	16.58	0.00	68.84	9.23	41.80		51.03
Depreciation	11.23	12.37	0.17	0.00	23.77	12.76	10.83		23.59
Non cash Expenses other than depreciation/ amortisation	0.00	0.00		0.00	0.00	0.48	0.00		0.48

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) Vijaykumar Gupta	Managing Director (Key Managerial person)	Key Managerial person & person exercising more than 20% person 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	Director & Relative	Also son of Mr.Vijaykumar Gupta & Mrs. Sulochana Gupta & Brother of Mr.Manish Gupta
(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	Enterprise significantly influenced by Key Managerial Person	Key Managerial Person	Relative of Key Managerial Person
(a) Sale of Goods	0.00	0.00		
	(0.00)	(0.00)		
(b) Managerial Remuneration	0.46		0.46	0.00
	(0.45)		(0.45)	
(c) Services : Sitting Fees (Rs. 77500/-) (P.Y. Rs. 20000/-)	0.01			0.01
	(0.00)			(0.00)
(d) Dividend paid	1.93		1.60	0.33
	(1.75)		(1.45)	(0.30)
Balance Outstanding as at 31.03.06				
Amount Payable	0.00			
	(0.00)			

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

ASHWIN AMIN
PARTNER
Membership No.: 35070
PLACE : AHMEDABAD
Date : 22nd July, 2006

For and on behalf of the Board of Directors
VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)
MANISH V.GUPTA
(MANAGING DIRECTOR)
KAUSHIK C.KHONA
(CHIEF FINANCIAL OFFICER & COMPANY SECRETARY)
PLACE : AHMEDABAD
Date : 22nd July, 2006



GUJARAT AMBUJA EXPORTS LIMITED

Notice

Notice is hereby given that the 15th Annual General Meeting of Members of GUJARAT AMBUJA EXPORTS LIMITED will be held on Saturday, the 9th September, 2006 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

- To receive, consider and adopt the Audited Balance Sheet as on 31st March 2006, Profit & Loss Account for the year ended on that date, Directors' Report and Auditors' Report thereon.
- To declare dividend on Equity Shares
- To appoint a Director in place of Shri Ashok C Gandhi, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Smt. Sulochana V Gupta, who retires by rotation and being eligible, offers herself for reappointment.
- To appoint a Director in place of Shri Sandeep N Agrawal, who retires by rotation and being eligible offers himself for reappointment.
- To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

Place : Ahmedabad
Date : 22nd July, 2006

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

NOTES

- 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.
- Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2006 to 9th September, 2006 (both days inclusive).
- Dividend, if any, declared at the meeting will be payable to those members whose names appear in the Company's Register of Members on 9th September, 2006. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- Unclaimed dividend upto 1997-98 have been deposited with Central Government, and unclaimed dividend for the year 1999-2000 & onwards will be deposited with the Central Government as per following chart. Those members who have not encashed the Dividend warrant are therefore requested to immediately forward the same, duly discharged to the company's Share Transfer agent to facilitate payment of the dividend.

Financial Year	Date of AGM	Date of Dividend Warrant	Due Date of Transfer to Unpaid Account	Due Date of accepting claim by Company	Due Date for Transfer to Investor Protection Fund
1998-99	No dividend declared.				
1999-00	29.09.00	09.11.00	16.11.00	29.09.2007	16.11.2007
2000-01	25.09.01 Interim : Note 1	09.11.00	09.11.00	09.11.2007	09.11.2007
2001-02	25.02.03	26.03.03	02.04.03	25.02.2010	02.04.2010
2002-03	30.09.03 Interim : Note 3	26.03.03	13.04.03	26.03.2010	13.04.2010
2003-04	23.09.04	28.09.04	29.10.04	23.09.2011	29.10.2011
2004-05	22.09.05	26.09.05	28.10.05	22.09.2012	28.10.2012

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

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 GAEL 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 will be providing Electronic Clearing System (ECS) facility to the members whereby members will be able to receive their dividend by way of electronic credit directly to their bank account. The members may send their request in details to the Company. For format 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. SUB-DIVISION OF EQUITY SHARES FROM RS. 10/- EACH TO RS. 2/- EACH AND EXCHANGE OF SHARES

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

C. DEMATERIALISATION :

- 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 new ISIN No. INE036B01022 for sub-divided Equity Shares of Rs. 2/- each has been allotted to the Company.

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

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

- Those members who have not encashed the Dividend are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic Share accounts and to the Company at its Registered Office in respect of their physical Share folios, if any.
- 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, except Sundays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
- 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.
- Appointment/ Re-appointment of Directors (Pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Shri Ashok C Gandhi, Smt. Sulochana V Gupta and Shri Sandeep N Agrawal, retire by rotation and being eligible offer themselves for reappointment. The information or details to be provided for the aforesaid Directors under the Corporate Governance code are as under:

(a) Shri Ashok C Gandhi, aged 66 years is B.Com., LL.B., and Advocate. He is on the Board of the Company since 24.07.2003. He is Partner of well known firm of Advocates, M/s C C Gandhi & Co., and has rich experience of more than 38 years in the legal profession. He is on the Board of Amol Dicalite Limited, Jayatma Spinners Limited, Bloom Dekor Limited, Aarvee Denim & Exports Limited, Ahmedabad Steel Craft Limited, Soma Textiles & Industries Limited, Dishman Pharmaceuticals and Chemicals Limited, MSK Projects (India) Limited, Mafatall Industries Limited He is also Member of Audit Committee of Gujarat Ambuja Exports Limited, Bloom Dekor Limited, Aarvee Denim & Exports Limited, Ahmedabad Steel Crafts Limited, Soma Textiles & Industries Limited, Dishman Pharmaceuticals and Chemicals Limited, MSK Projects (India) Limited, Mafatall Industries Limited and Member of Shareholders' Grievance Committee of Dishman Pharmaceuticals and Chemicals Limited. He is also Chairman of Remuneration Committee of Gujarat Ambuja Exports Limited and Bloom Dekor Limited and member of Remuneration Committee of Amol Dicalite Limited, Aarvee Denims & Exports Limited, Dishman Pharmaceuticals and Chemicals Limited. He does not hold any shares of Gujarat Ambuja Exports Limited.

(b) Smt. Sulochana V Gupta aged 52 years is industrialist and promoter of the Company and possesses rich experience of 28 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 and Maharashtra Ambuja Biotech Limited. She is also Chairman of Shareholders' Investors' Grievances Redressal Committee and Member of Remuneration Committee of the Company. She is holding 44,85,385 Equity Shares of Gujarat Ambuja Exports Limited.

(c) Shri Sandeep N Agarwal, aged 34 years is a MBA and associated as Director with the Company since 1995. He is also member of Audit Committee, Remuneration Committee and Shareholders' Investors' Grievances Redressal Committee of the Company. He provides his valuable advice in the capacity of professional Director. He is not on the Board of any other company. He does not hold any shares of Gujarat Ambuja Exports Limited.

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

- Kindly note that from 29th September, 2003, Physical and Electronic work regarding shares is entrusted to the Registrar and Share Transfer Agent M/s. Jupiter Corporate Services Limited having its office at "Ambuja Tower", Opp. Memnagar Fire Station, P.O. Navjivan, Ahmedabad 380014 and hence members' beneficial owners of shares are requested to address all correspondence to M/s. Jupiter Corporate Services Limited and/or to the Company only.

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

- Members who have not yet exchanged their share certificates of Amalgamating Companies are requested to send their holding as per our intimation dated 30.04.99 to the Registered Office of the Company to get the shares of GAEL in exchange. Kindly note that without getting the shares of GAEL in exchange, dematerialisation will not be possible. Further please note that exchange cum dematerialisation is not possible due to exchange ratio and other technical issues.

2. Exchange ratio approved in the Scheme of Amalgamation:

for every 4 Equity Shares of GACL = 1 Equity shares of GAEL

for every 5 Equity Shares of GAPL = 1 Equity shares of GAEL

- Members are further requested to note that against the shares surrendered by them proportionate shares of GAEL will be issued.
- 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.

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

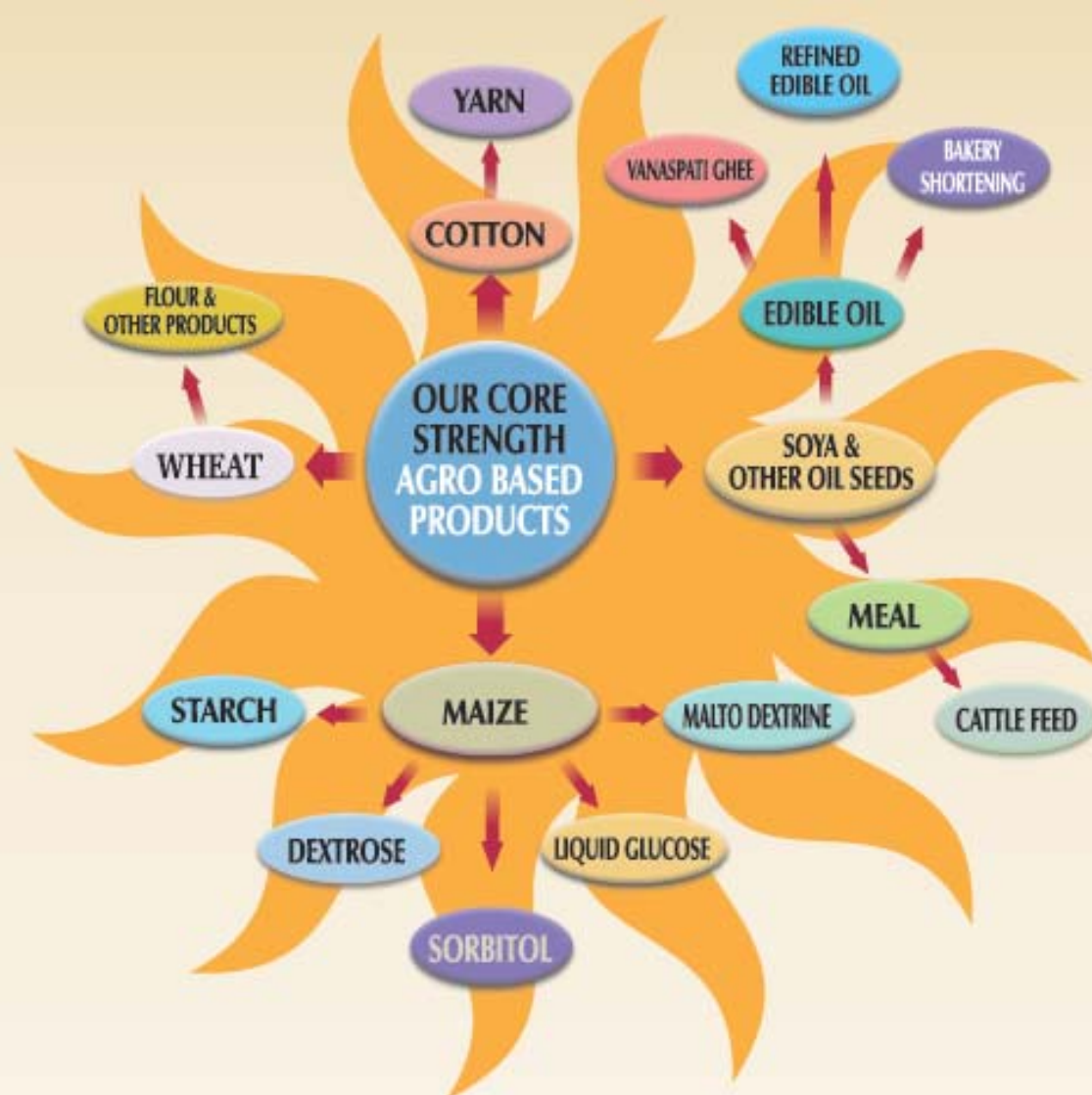
- Members who have not yet exchanged their share certificates of Amalgamating Company are requested to send their holding as per our intimation dated 31.01.2004 to the Registered Office of the Company to get the shares of GAEL in exchange. Kindly note that without getting the shares of GAEL in exchange, dematerialisation will not be possible. Further please note that exchange cum demat is not possible due to exchange ratio and other technical issues.

2. Exchange ratio approved in the Scheme of Amalgamation:

for every 1 Equity Shares of JBL = 1 Equity shares of GAEL

- Members are further requested to note that against the shares surrendered by them proportionate shares of GAEL will be issued.

- Members are also requested to send share certificates in the name of Gujarat Vita Pharma Limited, as the name of the Company was changed to Jupiter Biotech Limited.



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 _____ being a member/s
of the above named Company, hereby appoint _____
of _____ in the district of _____
or failing him _____
as my/our proxy to vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held on **Saturday, 9th September, 2006** at **11.00 A.M.** at GICEA (Gajar Hall), Niman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006, and at any adjournment thereof.

Signed this _____ day of _____ 2006

Signature (s) _____

Revenue
stamp of
Rs. 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 : _____ / _____ / 2006.

Gujarat Ambuja Exports Limited

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

ATTENDANCE SLIP

15TH ANNUAL GENERAL MEETING, SATURDAY, THE 9th SEPTEMBER, 2006

Venue : GICEA (Gajar Hall), Niman 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 submission 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.



: CORPORATE OFFICE :

GUJARAT AMBUJA EXPORTS LIMITED

"Ambuja Tower", Opp. Memnagar Fire Station, Post Navjivan,
Navrangpura, Ahmedabad 380014 (Gujarat) India.

Phone : +91 79 26405535 - 37, 39 Fax : +91-79-26423079

E-mail : 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

E-mail : bby@ambujagroup.com

208, Deep Shikha Building, Rajendra Place, New Delhi - 110 008.

Phone : +91 11 2574 5761 Fax : +91 11 2576 3819

E-mail : 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

E-mail : indore@ambujagroup.com

: PLANTS :

100% EOU COTTON YARN DIVISION

1, Vrindavan Road, Village : Dalspur,
Tal. : Prantij Dist. : Sabarkantha, Gujarat.

Phone : +91 2772 226252 - 54

Fax : +91 2772 226250

E-mail : cotspin@ambujagroup.com

SOYA PROCESSING UNIT

Plot No. 414-417, Sector-III, Pithampur
Industrial Area, Dist. Dhar, Madhya Pradesh,
Phone : +91 7292 256790, 25264

Fax : +91 7292 256199

E-mail : soyapith@ambujagroup.com

MAIZE PROCESSING UNIT

1, Vrindavan Road, Village : Dalspur,
Tal. : Prantij Dist. : Sabarkantha, Gujarat.

Phone : +91 2772 226252 - 54

Fax : +91 2772 226250

E-mail : com@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

E-mail : soyakadi@ambujagroup.com

AKOLA SOYA PROCESSING & REFINERY

Village Kanheri - Gawali, N. H. No.: 6,

Akola - Balapur Road, Dist. Akola (Maharashtra)

Phone : +91 7257 285026, 285027

Fax : +91 7257 285025

E-mail : akola@ambujagroup.com

WHOLLY OWNED SUBSIDIARY

GUJARAT AMBUJA INTERNATIONAL (P) LTD.

#11-11 Tong Eng. Building,

101 - Cecil Street, Singapore - 069533

Phone : 00 65 63243701, 63243702

Fax : 00 65 63243697

E-mail : intl@ambujagroup.com

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, NAVRANGPURA, AHMEDABAD - 380014.