

16th Annual Report 2006 - 2007

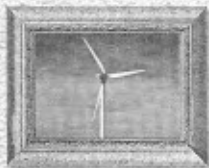


Committed to Growth



GUJARAT AMBUJA EXPORTS LIMITED
AHMEDABAD, INDIA

Our Core Strength
Agro Processed Products



ANNUAL REPORT 2006-2007

Regd. Office: "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad-380 014
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16TH ANNUAL REPORT

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

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

BANKERS

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

SHARE TRANSFER AGENT (PHYSICAL & ELECTRONIC FORM)

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

SUBSIDIARY : Gujarat Ambuja International Pte. Ltd, Singapore

PLANTS

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

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SCHEDULE OF ANNUAL GENERAL MEETING

Date : 25th September, 2007

Day : Tuesday

Time : 11.00 A.M.

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

FOR ATTENTION OF ALL MEMBERS

A. GENERAL

1. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205-C in the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and the Protection Fund. Thereafter, members shall not be able to register their claim in respect of their unencashed dividends. Members who have not yet encashed their dividend warrant(s) are requested to make their claims to the Company, without any delay.
2. Members holding shares of the Company under more than one Ledger Folio are requested to send to the Company details of all such folios together with the share certificates for consolidating the folios into one. The said formalities will help the members to get shares in marketable lot.
3. Members holding shares in physical form are requested to quote their New Folio number in GAEL and members holding shares in electronic form are requested to quote their Client ID along with DP_ID in all their future correspondence.
4. At the time of intimating change of address, members are requested to state all their folio numbers to get records of the Company updated for all folios. Members holding shares in Electronic form have to communicate change of address to their respective Depository Participants (DPs).
5. In the case of deletion/transmission due to death of one of the holder or all holders, as the case may be, members are requested to complete the formalities at the earliest so as to update the records of the Company.
6. As mandated by SEBI, the Company will be providing Electronic Clearing System (ECS) facility to the members whereby members will be able to receive their dividend by way of electronic credit directly to their bank account. The members may send their request in details to the Company. For format you may write to the Company.
7. Members holding shares in physical form and desirous of making nomination may request for Form No.2B from the Company or Registrar and Share Transfer Agents (R & T) M/s. Jupiter Corporate Services Limited. In case of shares held in demat form, the nomination has to be lodged with members' Depository Participants.

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

1. The Members are requested to note that the Equity Shares of Rs.10/- each of the Company has been sub-divided into Equity Shares of Rs.2/- each and the record date for the said purpose was 16th January, 2006.
2. The members are further requested to note that shareholders who are holding Equity Shares of 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. DEMATERIALIZATION :

1. Members are requested to note that the shares of the Company are under **compulsory demat from 24th July, 2006**. Members are further requested to note that the Company has entered into agreements with **NSDL & CDSL** and script of the company has been activated for dematerialisation on 27.06.2000 & 23.02.2000 respectively. The new ISIN No. INE036B01022 for sub-divided Equity Shares of Rs.2/- each has

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

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

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

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

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

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

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



Notice

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

7. Re-appointment of Chairman Shri Vijay Kumar Gupta, as Managing Director of the Company.

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

RESOLVED THAT pursuant to the Provisions of Section 198, 269, 309 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to the Chairman Shri Vijay Kumar Gupta as Managing Director of the Company from 18th April, 2008 upto period ended 31st March, 2013 on the terms and conditions as mentioned in the Agreement to be entered into between the Company and Shri Vijay Kumar Gupta, a draft whereof duly initialled by the Chairman for the purpose of identification has been placed before the meeting, which Agreement is hereby specifically approved with powers to the Board of Directors (which term shall deem to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner as may be agreed upon by the Board of Directors and Shri Vijay Kumar Gupta within the limits prescribed under Schedule XIII to the said Act or any statutory amendment(s) and/or modification(s) thereto."

"RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Vijay Kumar Gupta as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Section II Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided in the Agreement aforesaid when the profits of the Company are adequate."

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

"RESOLVED FURTHER THAT Shri Vijay Kumar Gupta, Chairman and Managing Director of the Company be and is hereby authorised, empowered and vested with the substantial powers of the Management of the Company for carrying out the affairs and activities of the Company subject to the superintendence, control and direction of the Board of Directors of the Company."

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

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

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

RESOLVED THAT in partial modification of earlier resolution passed by the members at the 13th Annual General Meeting held on 23rd September, 2004 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other

applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Shri P.G. Makhija, Executive Director (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) with effect from 1st November, 2006 for the remaining period of the tenure of his contract i.e. upto 27th December, 2007 the remuneration payable to be read as Rs.1,00,000/- p.m. instead of Rs.80,000/- p.m.. "

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

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

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

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

RESOLVED THAT in accordance with provisions of Section 198, 269, 309 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the re-appointment of Shri P. G. Makhija as an Executive Director from 28th December, 2007 upto period ended 31st March, 2011 for overall supervision, management and administration of 100% EOJ Cotspin Division (Himatnagar) on the terms and conditions, including that of remuneration as set out in the explanatory statement annexed to this notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) with specific authority to Board of Directors of the Company to alter and vary the terms and conditions thereof including the remuneration so as not to exceed the limit set out in Section 198, 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Shri P. G. Makhija"

"RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri P. G. Makhija, Executive Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Section II Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof."

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

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

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

**Place : Ahmedabad
Date : 28th JULY, 2007**

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

NOTES

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

Financial Year	Date of AGM	Date of Dividend Warrant	Due Date of Transfer to Unpaid Account	Due Date of accepting claim by Company	Due Date for Transfer to Investor Protection Fund
1999-00	29.09.2000 Interim: Note:1	09.11.2000	16.11.2000	29.09.2007	16.11.2007
2000-01	25.09.2001 Interim: Note: 2	09.11.2000	16.11.2000	09.11.2007	16.11.2007
2001-02	25.02.2003	26.03.2003	02.04.2003	25.02.2010	02.04.2010
2002-03	30.09.2003 Interim: Note:3	26.03.2003	13.04.2003	26.03.2010	13.04.2010
2003-04	23.09.2004	28.09.2004	29.10.2004	23.09.2011	29.10.2011
2004-05	22.09.2005	26.09.2005	28.10.2005	22.09.2012	28.10.2012
2005-06	09.09.2006	13.09.2006	15.10.2006	09.09.2013	15.10.2013

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

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

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

5. Those members who have not encashed the Dividend are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic Share accounts and to the Company at its Registered Office in respect of their physical Share folios, if any.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. , except Sundays and holidays, upto the date of the Annual General Meeting.
7. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Appointment/ Re-appointment of Directors (Pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Shri Rohit J. Patel, Shri Mohit V. Gupta and Shri Chaitan M. Maniar, retire by rotation and being eligible offer themselves for reappointment. The information or details to be provided for the aforesaid Directors under the Corporate Governance code are as under:

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

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

ITEM NO. 7

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

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

Shri Vijay Kumar Gupta is aged 57 years with qualification of B.D.S. and managerial experience of 35 years. He is an industrialist and promoter Director and is main contributory to the growth and development of the Company and Gujarat Ambuja Exports group. He is also Director of other companies namely Maharashtra Ambuja

Exports Limited, Maharashtra Ambuja Biotech Limited, Gujarat Ambuja International (Pte) Limited, Singapore, Jay Agriculture and Horticulture Products Private Limited, Jay Infrastructure and Properties Private Limited and Jay Ambe Infra Projects Pvt. Ltd.. He also holds Chairmanship of Share Transfer committee and member of Shareholders'/ Investors' Grievances Redressal Committee of the Company. He holds 3,97,58,475 Equity Shares of Rs.2/- each of Gujarat Ambuja Exports Limited Considering the increased activities, responsibilities and contribution of Shri Vijay Kumar Gupta in development and growth of the Company, Remuneration Committee and the Board of Directors at their respective meetings held on 28th July, 2007 , subject to approval of members at the General Meeting, have considered and approved the re-appointment Shri Vijay Kumar Gupta as Managing Director of the Company as per draft agreement placed before the meeting.

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

1. Terms of Appointment :

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

2. Remuneration :

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

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

CATEGORY : A

a) Gas, Electricity, Water and Furnishing : The Expenditure incurred by the Managing Director on Gas, Electricity, Water and other furnishing at residence will be provided by the Company and shall be valued as per the Income Tax Rules, 1962.

b) Medical : Medical expenses incurred for the self and family shall be reimbursed. The taxable value of perquisite would be calculated as per the rules and provisions applicable from time to time under the Income Tax Act, 1961.

c) LTA : Leave Travel Concession for the self and family in a year in accordance with the rules specified by the Company provided that only actual expenditure shall be reimbursed for the traveling purpose. The taxable value of this perquisite will be calculated as per the Rules and provisions applicable from time to time under the Income Tax Act, 1961.

d) Club Fees : Fees of clubs subject to a maximum two clubs shall be paid/ reimbursed by the Company. This will not include admission and life membership fees. Besides fees for obtaining credit card or its renewal from Clubs, would be paid in addition to the actual expenditure as company's business expenditure.

e) Personal Accident Insurance & Life Insurance : Annual Premium on personal Accident shall not exceed Rs.5000/-. The Company may at any time take Life insurance policy under any scheme including the key man insurance policy for which the premiums would be paid by the Company and the Company do assign the said policy in favour of Shri Vijay Kumar Gupta during his tenure of appointment.

CATEGORY : B

a) Contribution to Provident Fund, Superannuation fund : Contribution to Provident fund, superannuation fund etc. will not be included in the ceiling on perquisites to the extent these either singly or put together are not taxable under the Provisions of the Income Tax Act, 1961.

b) Earned Leave : Earned leave will be granted on full pay and allowance as per the Rules of the Company, but not exceeding one month's leave for every eleven months of services, subject to the further condition that leave accumulated but not availed will be allowed to be encashed. The Leave encashment subject to above entitlement will be subject to value as per Income Tax Rules, 1962, provided leave encashed on expiry of the terms of this agreement will be treated as Nil for valuation.

c) Gratuity : Gratuity payable shall not exceed Half Month's salary for each completed year of services subject to a ceiling of Rs. 5,00,000/- (Rupees Five Lacs only).

CATEGORY : C

a) Chauffeur Driven Car : He would be provided with chauffeur driven car whose valuation will be calculated as per the Income Tax Rules, 1962.

b) Telephone : Two Telephones at the residence and Mobile phone will be provided which will not be considered as perquisites.

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

CATEGORY : D

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



commission as may be decided by the Board of Directors at the end of each Financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Section 198 and 309 of the Companies Act, 1956.

3. Minimum Remuneration :

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

4. Other Terms and Conditions:

- (a) Shri Vijay Kumar Gupta, shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board
- (b) As long as Shri Vijay Kumar Gupta functions as Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- (c) Shri Vijay Kumar Gupta shall not retire by rotation whilst he continues to hold office of Managing Director.
- (d) Shri Vijay Kumar Gupta shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by him in India and abroad, exclusively on the business of the Company.
- (e) The Office liable to termination with 3 months' notice from either side.
- (f) The terms and conditions of the said appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule XIII to the Companies Act, 1956 or any amendments or modifications made thereto.

The draft Agreement to be entered into by the Company with Shri Vijay Kumar Gupta is available for inspection between 11.00 a.m. to 1.00 p.m. on all working days, except Sundays and Holidays at the Registered Office of the Company. Shri Vijay Kumar Gupta may be considered to be concerned or interested in the said Resolution as also in the draft Agreement since it relates to his own re-appointment and remuneration. Shri Manish Gupta, Smt. Sulochanaben Gupta and Shri Mohit Gupta may also be considered as concerned or interested in the same, being relatives of Shri Vijay Kumar Gupta. Save as aforesaid, none of the other Directors are concerned or interested in the said Resolution.

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

The Directors recommend the passing of the resolution proposed at Item No. 7 of the Notice.

ITEM NO. 8

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

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

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

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

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

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

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

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

ITEM NO. 9

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

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

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

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

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

II. Commission on Profit : Nil

III. Perquisites :

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

IV. Other Terms and conditions :

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

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

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

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

**Place : Ahmedabad
Date : 28th JULY, 2007**

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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION

To,
The Members,
Gujarat Ambuja Exports Limited.

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

FINANCIAL HIGHLIGHTS

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

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

DIVIDEND

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

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

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

BUY-BACK OF EQUITY SHARES FROM OPEN MARKET

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

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

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

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

PERFORMANCE REVIEW FOR THE YEAR 2006-07

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

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

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

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

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

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

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

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

Modernization at various other locations

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

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

Windmills

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



Disposal of Jaipur Property

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

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

B. OPERATIONAL PERFORMANCE

Maize processing division

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

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

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

Agro Processing Division

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

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

Cotton Yarn Division

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

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

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

Windmills

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

On over all Analysis

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

OUTLOOK FOR THE YEAR 2007-08

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

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

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

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

CAPITAL PROJECTS IN THE YEAR 2007-08

Expansion of Cotton Yarn

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

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

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

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

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

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

Setting up of Maize Processing Plant at Uttaranchal

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

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

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

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

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

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

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

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

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

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

India's ranking in Global Agriculture

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

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

The Company

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

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

Segment wise Performance

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

Maize Processing activities

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

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

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

Agro Processing activities

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

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

Cotton Yarn

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

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

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

Wind mills division

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

SUBSIDIARY COMPANY AND CONSOLIDATED ACCOUNTS

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

CAUTIONARY STATEMENT

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

FINANCE AND INSURANCE**Working Capital**

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

Term Loans

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

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

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



GUJARAT AMBUJA EXPORTS LIMITED

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

Insurance

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

PUBLIC DEPOSITS

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

OTHER DISCLOSURE OF INFORMATION AS PER LISTING AGREEMENT WITH STOCK EXCHANGES

Listing

At present, Equity Shares of the Company are listed on Ahmedabad Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has duly paid annual Listing fees due for the year 2007-2008 to respective Stock Exchanges.

Dematerialisation

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

THE DIRECTORS AND OTHER EXECUTIVES

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

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

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

The above businesses are recommended for approval of the members.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) that in respect of the accounts for the financial year ended 31st March 2007, the applicable accounting standards have been followed;
- (2) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss account of the Company for the year under review;
- (3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2007 on a 'going concern' basis.

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

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

PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

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

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

AUDITORS AND AUDITORS' REPORT

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

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

Vijay Kumar Gupta
Chairman and Managing Director

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

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

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

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

Place : Ahmedabad
Date : 28th July,2007

Vijay Kumar Gupta
Chairman and Managing Director

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 31.03.2007.

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 upgradation of plant & machinery, in various units. The Company has installed energy efficient devices in the new projects also.
- The Company, as a major initiative to conserve energy, has started investing in generating Wind Energy from the year 2005-06. During the year under consideration it installed further three wind mills with capacity of 3.30 MW at a total cost of Rs 15.83 crores. With this investment, the Company has now increased its investments to seven windmills with total installed capacity of 6.95 MW. This will help in generating energy through environmental friendly measures and also reduce carbon emission in the atmosphere.

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

FORM – "A"

A) POWER AND FUEL CONSUMPTION	2006-2007	2005-2006
1) Electricity		
a) Purchased		
Units	22252927	18189876
(Includes units wheeled from windmills & cost at the Gross Bill value)		
Total Amount (Rs.)	111539051	82712130
Rate/Unit (Rs.)	5.01	4.55
b) Own Generation		
i) Through Diesel Generator		
Units	2622556	16362623
Unit per Ltr of Diesel Oil	3.34	3.94
Cost/Unit (Rs.)	7.62	5.18
ii) Through Steam Turbine /generator		
Units	12215553	12113616
Unit per Kg of Coal	0.29	0.31
Cost/Unit	6.25	5.89
iii) Through Furnace Oil Generator		
Units	61736690	38637700
Unit per Kg of Furnace Oil	4.43	4.49
Cost/Unit	3.57	2.87
iv) Through Windmills		
Units	8497331	1000972
Total Amount (Rs.)	14592593	1651430
Cost/Unit	1.72	1.65
2) Coal (Used for Steam Generation)		
Quantity (MT)	41708.086	33240.560
Total Cost (Rs.)	92526880	80736055
Average rate	2218.44	2428.54
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.

[B] Consumption per unit of production

	2006-2007	2005-2006
Agro Processing Unit		
(Cost per Metric Ton of Production)		
1) Electricity	174.41	220.45
2) Coal	173.13	207.96
3) Furnace Oil	N.A.	N.A.
4) Diesel	N.A.	N.A.
5) Others	N.A.	N.A.
Maize Processing Unit		
(Cost per Metric Ton of Production)		
1) Electricity	1614.17	1403.49
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.
Cotton Yarn Unit		
(Cost per Kg of Production)		
1) Electricity	14.84	13.64
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 B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT 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.
- Expenditure on R&D

	2006-2007	2005-2006
(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

	2006-2007	2005-2006
Foreign Exchange Earned	RS.	RS.
FOB Value of Sales (Including Warehouse Charges)	5109676443	3873849997
Sales of Assets	NIL	NIL
	5109676443	3873849997
Foreign Exchange Used		
Capital Goods (CIF Value)	260780218	123568829
Purchases (CIF Value)	955384343	3284683306
RM.Stores & Consumables (CIF Value)	320125322	348769271
Foreign Traveling, Interest, Bank Charges etc.	20555228	50428352
Overseas Commission	187020	345851
Membership & Subscription	567990	539143
Total.....	1557600121	3808334752

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	31.03.2007 (Period 01.04.2006 to 31.03.2007)
2. The Company's interest in the Subsidiaries as on 31st March'2007	
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 31.03.2007	
i) Not dealt within the books of Accounts of the Company	Profit (US \$) 6,273
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 (US \$) (-) 22,580
ii) Dealt within the books of Accounts of the Company	NIL

For and on behalf of the Board
PLACE : AHMEDABAD
DATE : 28th JULY, 2007
VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)
MANISH GUPTA
(MANAGING DIRECTOR)
KAUSHIK C. KHONA
(CFO & COMPANY SECRETARY)

Chief Executive Officer(CEO) and Chief Financial Officer (CFO) Certification

We, Mr. Manish Gupta, Managing Director and Mr. Kaushik C Khona, CFO & Company Secretary to the best of our knowledge and belief, certify that:

- We have reviewed financial statements and the cash flow statement for the year ended 31st March,2007 and that to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, there were no transactions entered into by the Company during the year which were fraudulent, illegal or which violated the company's code of conduct.
- We are responsible for establishing and maintaining internal controls for financial reporting and we have
 - Evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting ;
 - Not found any deficiencies in the design or operation of internal controls.
- We have indicated to the company's auditors and the Audit Committee of the Board of Directors ;
 - Significant changes that have occurred in the internal control over financial reporting during the year;
 - There have been no significant changes in accounting polices during the year;
 - There have been no Instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the company's internal control system over financial reporting; and
 - There were no deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data nor there were any material weaknesses in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there were none.
- We declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year

Place : Ahmedabad **Manish Gupta** **Kaushik C Khona**
Date : 28th JULY,2007 **(Managing Director)** **(CFO & Company Secretary)**



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-but it is even more, 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. The Company has adopted the Code of Conduct and Business Ethics for Employees, Board Members and Senior Managerial Personnel and also the Whistle Blower Policy last year in due compliance of revised Clause 49 of the Listing Agreements with Stock Exchanges and in pursuit of excellence in corporate governance.

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

2. Board of Directors

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	Committee Chairmanships
Vijay Kumar Gupta	Executive Director & Promoter	5	Yes	6 (Incl: 4 Pvt. Ltd.)	1	Nil
Manish V Gupta	Executive Director & Promoter	5	Yes	9 (Incl: 4 Pvt. Ltd.)	Nil	Nil
Sulochana V Gupta	Non-Executive Director & Promoter	4	Nb	2	Nil	1
Parshottam G Makhija	Executive Director & Non Independent Director	5	Yes	1(Pvt.Ltd.)	Nil	Nil
Sandeep N Agrawal	Non-Executive & Independent Director	4	Nb	None	2	Nil
Jagdishsharan Varshneya	Non-Executive & Independent Director	5	Yes	14 (Incl: 6 Pvt. Ltd.)	Nil	4
Chaitan M Maniar	Non-Executive & Independent Director	4	Yes	19 (incl: 6 Pvt.Ltd.)	9	1
Prakash G Ramrakhiani	Non-Executive & Independent Director	5	Yes	1 (Pvt. Ltd)	1	Nil
Ashok C Gandhi	Non-Executive & Independent Director	5	Yes	9	9	Nil
Rohit J Patel	Non-Executive & Independent Director	4	Yes	1	Nil	Nil
Mohit V Gupta	Non-Executive and Non Independent Director	4	Nb	2 (Pvt. Ltd)	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 Agreements.

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

During the financial year 2006-07, five (5) meetings of the Board of Directors were held on the following dates.

Sr.No	Date of Meeting	Sr.No.	Date of Meeting (contd.)
1	22.04.2006	4	14.10.2006
2	22.07.2006	5	16.01.2007
3	09.09.2006		

Dates for the Board Meetings are decided well in advance and communicated to the Directors. Board Meetings are normally held at the Registered Office of the Company. During the year 2006-07, one Board Meeting was held at Plant at Himatnagar. 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 2006-07, the Company did not have any material pecuniary relationship or transactions with Non – Executive Directors except for payment of Legal fees of Rs.3,77,180/- to M/s. Crawford Bailey & Co., Advocates & Solicitors, the firm in which independent Director Shri C. M. Maniar is Partner, for rendering services as Legal Advisors.

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 25th September, 2007 whereas for re-appointment and revision in terms of Managing Director and Executive Director same is given in the Explanatory Statement attached with the notice of Annual General Meeting.

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:

- ū Reviewing Company's Financial Reporting Process
- ū Reviewing the Annual Financial Statements.

ū Reviewing the Internal Audit Systems, the adequacy of Internal Control Systems, and
 ū 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. 2006-07 are given below:

Name of Members	Category	No. of Meetings attended during F.Y. 2006-07
Shri Jagdish Sharan Varshneya, Chairman	Independent, Non Executive Director	5
Shri Sandeep N. Agrawal, Member	Independent, Non Executive Director	5
Shri Ashok C Gandhi, Member	Independent, Non Executive Director	5

Shri Jagdish Sharan Varshneya, Chairman of the Audit Committee was present at the Annual General Meeting held on 9th September, 2006.

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. 2006-07, 5 (five) meetings of the Audit Committee were held on 22.04.2006, 22.07.2006, 09.09.2006, 14.10.2006, 16.01.2007.

4. Whistle Blower Policy

The Audit Committee and Board of Directors of the Company at their respective meetings held on 22nd October, 2005, approved Whistler 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. 2006-07, two (2) meetings of Remuneration Committee were held on 22.07.2006 and 09.09.2006. Both the meetings were attended by all the Committee members.

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 are 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 2006-07 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 & Managing Director	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	45000	45000	-----
4	Parshottam G Makhija Executive Director	1056890	Nil	Nil	Nil	1056890	3 months Nil
5	Sandeep N. Agrawal	Nil	Nil	Nil	82500	82500	-----
6	Jagdish S Varshneya	Nil	Nil	Nil	75000	75000	-----
7	Chaitan M Maniar	Nil	Nil	Nil	30000	30000	-----
8	Prakash G Ramrakhiani	Nil	Nil	Nil	37500	37500	-----
9	Ashok C Gandhi	Nil	Nil	Nil	90000	90000	-----
10	Rohit J Patel	Nil	Nil	Nil	30000	30000	-----
11	Mohit V Gupta	Nil	Nil	Nil	30000	30000	-----

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

To expedite the process and for effective resolution of grievances/ complaints, the Committee has delegated powers to the Share Transfer Agent/ Registrar and its officials to redress all complaints/ grievances / inquires of the shareholders'/ Investors' who redress the grievances/ complaints of shareholders'/ Investors' under the supervision of 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. 2006-07
Smt. Sulochana V Gupta, Chairman	Promoter, Non-Independent, Non- Executive	27
Shri Vijay Kumar Gupta, Member	Promoter, Non-Independent, Executive	27
Shri Sandeep Agrawal, Member	Independent, Non Executive Director	27

(b) Details of Complaints received and redressed during the year 2006-07

Sr. No	Particulars	Opening Balance as on 1.4.2006	Received During the year	Redressed During the year	Pending as on 31.03.2007
1	Non-receipt of Dividend/ Interest, Revalidation etc.	Nil	84	84	Nil
2	Non receipt of Share Certificate etc.	Nil	90	90	Nil
3	Non receipt of Annual Report, Interest on delayed refund, dividend, interest	Nil	14	14	Nil
4	Others	Nil	18	18	Nil
	Total	Nil	206	206	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



GUJARAT AMBUJA EXPORTS LIMITED

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 2006-07 as under.

Sr. No.	Particulars	No. of cases	No. of Shares Involved (Rs. 2/- each)
1	Transfer	1003	676710
2	Transmission	88	68615
3	Split	221	10018240
4	Duplicate	2	550
5	Demat request approved-NSDL	2302	1718450
6	Demat request approved-CDSL	625	462945
7	Remat request approved-NSDL	2	785
8	Remat request approved- CDSL	Nil	Nil

As on 31st March,2007, out of the total 13,93,18,490 Issued, Subscribed and Paid up Equity shares of Rs.2/- each of the Company, 38.02% have been demated (net of remat) through NSDL and CDSL. There were two (2) remat request for 785 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 31.03.2007.

7. General Body Meetings

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

Year	Date	Time	Venue
2003-04	23.09.2004	11.00 a.m.	} GICEA (Gajjar Hall), Nirman Bhavan, } Opp. Law Garden, Ellisbridge, } Ahmedabad – 380 006.
2004-05	22.09.2005	11.00 a.m.	
2005-06	09.09.2006	11.00 a.m.	

b) Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the F.Y. 2006-07.

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

Special Business	Type of Resolution passed	Date of Meeting
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 Parshottam 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, there was no special resolution proposed and/or transacted through Postal Ballot.

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

8. a. Disclosures

i. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large, Related Party transactions have been included in the Notes to the Annual Accounts of the Company for the year ended 31st March,2007.

ii. The Company has complied with the requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

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

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

- 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

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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 : Tuesday, the 25th September, 2007 at 11.00 A.M.
Venue : GICEA (Gajjar Hall), Nirman Bhavan,
Opp. Law Garden, Ellisbridge, Ahmedabad : 380006

ii. Financial Calendar : (2007-2008) (Tentative)

Financial year : April-March
Annual General Meeting : September, 2008
Results for Quarter Ending on
30th June, 2007 : 28th July, 2007
30th September, 2007 : End of October, 2007
31st December, 2007 : End of January, 2008
31st March, 2008 : End of April, 2008

iii. Book Closure Dates

Closure of Register of Members : 10th September, 2007 to
And Share Transfer Books : 25th September, 2007

iv. Dividend Payment Date

The Board of Directors at its meeting held on 28th July, 2007, recommended dividend @ 18% p.a. for F.Y. 2006-07, which if approved at the ensuing Annual General Meeting by the members of the Company, will be paid to eligible shareholder/ beneficial owner after 25th September, 2007 within prescribed time.

v. Listing of Securities on the Stock Exchanges

The Equity Shares of the Company are listed on Ahmedabad, Bombay and National Stock Exchange and listing fees for the Financial year 2007-08 had been paid to all the above stock exchanges. Addresses of the Stock Exchanges where security of the Company is presently listed are given below:

Ahmedabad Stock Exchange Limited

Kamdhenu Complex, Opp. Sahajanand College,
Panjara Pole, Ahmedabad-380015
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
Ahmedabad Stock Exchange Limited	20230 –"GUJAMBEX"
Bombay Stock Exchange Limited	24226-Normal 524266-Rolling Segment
National Stock Exchange of India Limited	Symbol: " GAEL" Series EQ

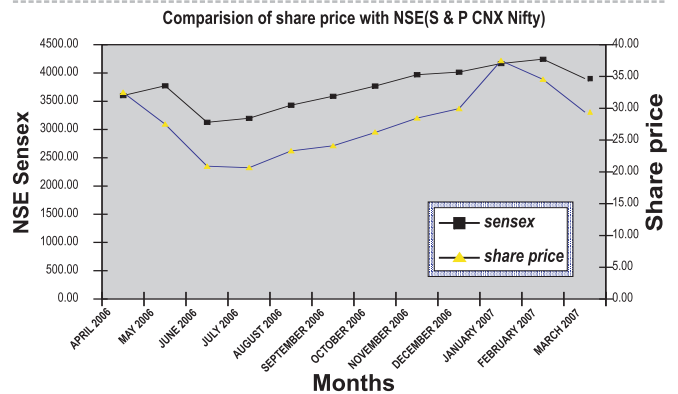
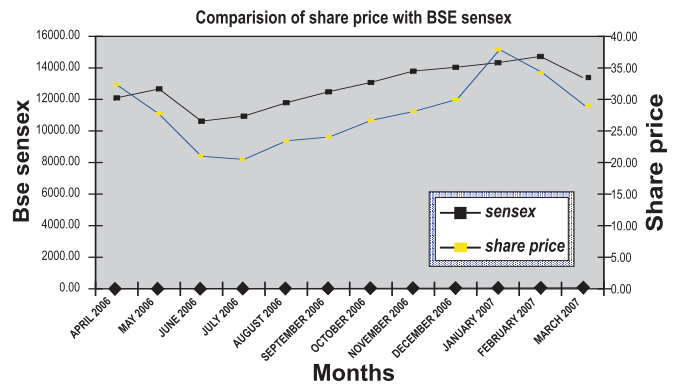
vii. Stock Market Price Data and comparison to broad-based indices

(a) Monthly Share price movement during F.Y. 2006-07 on BSE and NSE

Month	Mumbai Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Highest	Lowest	Highest	Lowest
April, 2006	32.40	17.10	32.50	17.05
May, 2006	27.75	19.35	27.50	18.60
June, 2006	21.00	14.45	20.90	14.45
July, 2006	20.50	17.15	20.65	17.05
August, 2006	23.45	17.70	23.30	17.25
September, 2006	24.05	21.00	24.10	20.50
October, 2006	26.70	22.00	26.80	21.75
November, 2006	28.10	24.50	28.45	24.50
December, 2006	30.00	23.55	29.95	22.25
January, 2007	37.90	27.05	37.50	27.20
February, 2007	34.25	25.00	34.55	25.20
March, 2007	29.00	23.05	29.40	22.10

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

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



viii. Registrar and Transfer Agent

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

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

Share Transfer Agent (Physical & Electronic Form)

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



ix. Share Transfer System

The Company has conducted 27 meetings of the sub-committee of the Board of Directors of the Company during the last financial year 2006-07. 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, 2007 (including demat)

No. of Equity Shares held	No. of Share holders	% of share holders	No. of Shares held	% of Share-holding
001 to 500	61774	99.420	34913711	25.060
501 to 1000	241	0.388	1694335	1.216
1001 to 2000	63	0.101	874268	0.628
2001 to 3000	20	0.032	514048	0.369
3001 to 4000	5	0.008	179444	0.129
4001 to 5000	5	0.008	222244	0.160
5001 to 10000	9	0.014	627522	0.450
10001 & above	18	0.029	100292918	71.988
Total	62135	100.000	139318490	100.000

(b) Shareholding Pattern of the Company as on 31.03.2007 (including Demat)

Category of Holders	No. of Shares	% to total shares
Promoters/Directors & Relatives	87930320	63.115
Financial Insti./Mutual Fund/Banks/	5722719	4.107
Non-Residents/FIIs./ OCBs	6346664	4.555
Other Corporate Bodies	2320380	1.666
Indian Public	36998407	26.557
Total	139318490	100.000

(c) Shareholding of Non Executive Directors as on 31.03.2007

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	5000	0.003
Shri Prakash G Ramrakhiani	Nil	Nil
Shri Ashok C Gandhi	2500	0.002
Shri Sandeep N Agarwal	Nil	Nil
Shri Rohit J Patel	Nil	Nil
Shri Mohit V Gupta	9017095	6.472
Total	13511480	9.698

There were no convertible instruments pending conversion into Equity Shares as on 31.03.2007.

xi. Dematerialisation of Shares and Liquidity

On 31st March 2007 out of 13,93,18,490 Issued, Subscribed and Paid Up Capital of Equity Shares of Rs.2/- each, 38.02% 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.

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

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

xiii. Plant Locations

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

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, PO. Navjivan,
Navrangpura, Ahmedabad-380 014

Phone: 079-26423316-20 • 26405535-37 & 39

Fax : 079-26423079 • E-mail: jayvijay@ambujagroup.com

Place : Ahmedabad

For & On behalf of Board of Directors

Date : 28th JULY, 2007

(Vijay Kumar Gupta)

Chairman and Managing Director

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, 2007**, 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 : 28th JULY, 2007

Membership No.: 35070

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, 2007 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.

1. As required by the Companies [Auditors' Report] Order, 2003 (CARO 2003) (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representations received from the directors, as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2007.
 - (b) In the case of the Profit & Loss Account, of the 'Profit' of the Company for the year ended on that date.

and

 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For, KANTILAL PATEL & CO.,
CHARTERED ACCOUNTANTS
[Ashwin Amin]
Partner
Membership No.: 35070

Place : Ahmedabad
Date : 28th JULY, 2007

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 2007.

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

1. (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company's management has provided us with a representation that it has a phased programme of verification of fixed assets (i.e. once in a two years) and in accordance with such programme, the company has carried out a physical verification of certain fixed assets during the year and no material discrepancies were noticed on such verification.
- (c) Some of the fixed assets not utilised in manufacturing activities have been disposed off during the year, which in our opinion and according to the information and explanations given to us, has not affected the ability of the Company to continue as a going concern.
2. (a) Physical verification at reasonable intervals has been carried out by the management in respect of inventory except for the stocks in transit and stocks lying with the clearing agents, which have been confirmed by the parties. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company has maintained proper records of inventory and the discrepancies noticed on such physical verification as compared to book records were not material and have been adequately dealt with in the books of accounts.
3. The Company has not granted or taken any loan secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. And hence, paragraphs 4(iii) (b to g) of the order are not applicable.
4. 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.
5. As far as we have been able to ascertain from the books of accounts and according to the information and explanations given to us,
 - (a) 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.

- (b) According to the information and explanations given to us where each such transaction made in pursuance of such contracts or arrangements in excess of Rs.5 lakhs in respect of any party, the transactions have been made at the prices, which are reasonable, having regard to the prevailing market prices available with the company for such transactions or prices at which transactions for similar goods have been made with other parties at the relevant time.
6. 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.
7. The company has an Internal Audit System commensurate with the size and nature of its business.
8. 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.
9. (a) The Company is generally regular in depositing Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other 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, 2007 for the period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the details of disputed amounts in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, and Excise Duty / Cess not deposited with the appropriate authorities are as follow:

Sr. No.	Nature of the statute	Nature of dues	Amount	Period to which amount relates	Forum where the dispute is pending
1.	The Income Tax Act, 1961	—	69,13,792	A.Y. 2003-2004	Commissioner of Income Tax - Appeal
2.	Motor Spirit Tax	Exemptions	1,71,732	1997-1998	Tribunal
3.	The Central Excise Act, 1944	Classification	2,62,34,517	2000 to 2004	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
		Concessional Rate of Duty	15,79,79,734	2005-2006	Directorate General of Revenue Intelligence
4.	The Custom Act, 1962	Differential Duty	4,76,053	2006-2007	Commissioner of Customs - Appeal
		Additional Custom Duty	1,08,90,000	2004-2005	Assistant Commissioner of Customs
		Differential Duty	1,17,289	2004-2005	Assistant Commissioner of Customs
		Differential Duty	3,59,056	2003-2004	Assistant Commissioner of Customs

(Refer note no.: 1 of schedule no. S)

10. 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.
11. The company has not defaulted in repayment of dues to the banks or to the financial institutions. The company has not obtained any borrowing by way of debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares and debentures and other securities.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. During the year, the company has not issued any debentures and hence paragraph 4 (xix) of the order is not applicable.
20. 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.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

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

Place : Ahmedabad
Date : 28th JULY, 2007

Partner
Membership No.: 35070

**GUJARAT AMBUJA EXPORTS LIMITED****BALANCE SHEET AS AT 31st MARCH 2007**

(Rupees in Crores)

SCHEDULE		AS AT 31.03.2007	AS AT 31.03.2006
		AMOUNT	AMOUNT
(A)	SOURCES OF FUNDS		
1	SHARE HOLDERS' FUNDS		
	(a) Share Capital	A 27.86	27.86
	(b) Reserves & Surplus	B 275.58	234.69
			<u>262.55</u>
			303.44
2	LOAN FUNDS		
	(a) Secured Loans	C 182.99	211.07
	(b) Unsecured Loans	D 0.79	0.82
			<u>211.89</u>
			183.78
3	DEFERRED TAX LIABILITY		
	(a) Deferred tax liability	49.78	36.40
	(b) Deferred tax asset	(-)0.10	(-)0.80
			<u>35.60</u>
			49.68
	TOTAL		<u>510.04</u>
			536.90
(B)	APPLICATION OF FUNDS		
1	FIXED ASSETS	E	
	Gross Block	391.90	355.48
	Less : Depreciation	157.12	136.34
	Net Block	234.78	219.14
	Add : Capital work in Progress	27.70	0.28
			<u>219.42</u>
			262.48
2	INVESTMENTS	F	6.87
			9.18
3	CURRENT ASSETS, LOANS & ADVANCES	G	
	(a) Inventories	217.07	227.15
	(b) Sundry Debtors	66.66	66.03
	(c) Cash & Bank Balances	14.41	4.54
	(d) Loans & Advances	10.14	2.55
	Sub Total (a)	308.28	300.27
	LESS:CURRENT LIABILITIES & PROVISIONS		
	(a) Current Liabilities	H 34.10	8.34
	(b) Provisions	I 8.94	8.18
	Sub Total (b)	43.04	16.52
	Net Current Assets (a - b)		<u>283.75</u>
	TOTAL		<u>510.04</u>
			536.90
	Significant Accounting Policies	R	
	Notes forming part of 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 : 28th JULY, 2007

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 : 28th JULY, 2007

BREAK UP VALUE : RS. 21.78 ON A SHARE OF RS. 2/- | LONG TERM DEBT ONLY RS. 27.24 CRORES

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007 (Rupees in Crores)

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2007 Amount	FOR THE YEAR ENDED 31.03.2006 Amount
(A) INCOME			
Sales	J	1410.44	1287.34
Less : Excise Duty		11.52	5.19
Net Sales		1398.92	1282.15
Other Income	K	1.09	0.50
TOTAL - "A"		1400.01	1282.65
(B) EXPENDITURE			
Cost of Goods Sold	L	1121.36	1062.71
Manufacturing Expenses	M	68.05	58.52
Employees' Cost	N	21.63	20.15
Administrative Expenses	O	10.42	7.93
Sales Expenses	P	74.81	55.74
Finance & Other Charges	Q	8.82	7.42
Loss on Sale of Assets (Net)		0.00	0.91
Depreciation		25.10	23.77
TOTAL - "B"		1330.19	1237.15
Profit before Tax (A-B)		69.82	45.50
Provision for Taxation			
- Current tax		9.24	4.53
- Deferred tax		14.08	10.51
- Fringe Benefit Tax		0.22	0.15
- Less: Excess Provision of Earlier Years Written Back		0.47	0.00
Profit after Tax		46.75	30.31
Add: Balance of Profit from Previous Year		89.89	67.39
Profit available for appropriation		136.64	97.70
APPROPRIATION			
Transferred to General Reserve		6.00	4.00
Proposed Dividend 18% p.a. (P.Y. 12% p.a.)		5.01	3.34
Provision for Dividend Distribution Tax		0.85	0.47
Balance carried to Balance Sheet		124.78	89.89
TOTAL		136.64	97.70
Significant Accounting Policies Notes forming part of Accounts	R S		
Earnings per Equity Share of Rs.2/- each (Basic & Diluted)		3.356	2.176

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 : 28th JULY, 2007

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 : 28th JULY, 2007

TURNOVER Rs. 1410 CRORES | EPS : Rs. 3.356 ON A SHARE OF RS. 2/-



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2007

Rs. in Crores

	AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE "A" SHARE CAPITAL		
Authorised		
250000000(P.Y.250000000) Equity shares of Rs.2 each	50.00	50.00
	<u>50.00</u>	<u>50.00</u>
Issued,Subscribed and Paid Up Capital		
139318490 (P.Y.139318490) Equity Share of Rs.2/- each	27.86	27.86
Notes:		
i. Includes 31500000 (P.Y.31500000) Equity shares of Rs.2/- each issued at a premium of Rs.0.20 per share on conversion of Optionally Convertible Unsecured Debentures.		
ii. Includes 82188910 (P.Y.82188910) Equity shares of Rs.2/- each fully paid allotted on 30.4.99 in exchange of shares on amalgamation for consideration other than cash.		
iii. 31085420 (P.Y.31085420) Equity shares of Rs.2/- each reduced as per Scheme of arrangement approved by Honourable Gujarat High Court order dated 17th February 2003.		
iv. Includes 20490000 (P.Y.20490000) Equity Shares of Rs.2/- each fully paid, allotted on 31.1.2004 in exchange of shares on amalgamation for consideration other than cash.		
Explanation to Notes : Till 16th January 2006, the Company's paid up Capital was made up of Equity Shares of Rs. 10/- each which was then split into Equity Shares of Rs.2/- each. In the above notes the number of shares and premium is restated as related to Equity shares of Rs. 2/- each.		
	<u>27.86</u>	<u>27.86</u>
SCHEDULE "B" RESERVES & SURPLUS		
General Reserve		
Balance as per last Balance Sheet	137.02	133.02
Add : Transferred from Profit & Loss Account	6.00	4.00
	<u>143.02</u>	<u>137.02</u>
Capital Subsidy		
Balance as per last Balance Sheet	0.65	0.65
(refer accounting policy H of Schedule R)		
	<u>0.65</u>	<u>0.65</u>
Amalgamation Reserve Account		
Balance as per last Balance Sheet	0.02	0.02
	<u>0.02</u>	<u>0.02</u>
Securities Premium Account		
Balance as per last Balance Sheet	0.89	0.89
	<u>0.89</u>	<u>0.89</u>
Capital Redemption Reserve		
Balance as per last Balance Sheet	6.22	6.22
Surplus as per Profit and Loss Account	124.78	89.89
	<u>275.58</u>	<u>234.69</u>
SCHEDULE "C" SECURED LOANS		
(A) Term Loans		
(i) from Indian Renewable Energy Development Agency, New Delhi (secured by hypothecation of Wind Mills, mortgage of related land & personal guarantee of three promoter Directors.)	3.49	0.00
(ii) from Bank of India, under TUF scheme secured by hypothecation of specific movable Plant & Machinery & personal guarantee of three promoter Directors.	23.75	10.37
	<u>27.24</u>	<u>10.37</u>
(B) Other Loans - Working Capital		
Secured by a hypothecation of current assets & certain tangible movable plant & machinery and joint equitable mortgage of certain immovable fixed assets of the Company and personal guarantee, mortgage and security of certain personal assets of three promoter directors and against lien on Fixed Deposits of the Company.		
- From Banks	155.75	200.70
	<u>182.99</u>	<u>211.07</u>
SCHEDULE "D" UNSECURED LOANS		
Dealers' & Distributors' Deposits	0.79	0.82
	<u>0.79</u>	<u>0.82</u>
SCHEDULE "F" INVESTMENTS (AT COST)		
(LONG TERM INVESTMENTS) (QUOTED EQUITY SHARES)		
10 [P.Y. 10] Equity shares of Adani Enterprises Ltd. of Rs.1/- each fully paid up.[Market value Rs.2101 (P.Y.Rs.5985)]	0.00	0.00
240 [P.Y. Nil] Equity shares of Ambuja Cement Ltd. of Rs.2/- each fully paid up.[Market value Rs.25500 (P.Y.Rs.Nil)]	0.00	0.00
20302 [P.Y.20302] Equity shares of Andhra Bank of Rs. 10/- each fully paid up.[Market value Rs.1543967 (P.Y.Rs.1639386)]	0.18	0.18
25 [P.Y. 25] Equity shares of Arvind Mills Ltd. of Rs.10/- each fully paid up.[Market value Rs.1088 (P.Y.Rs.2512)]	0.00	0.00
Nil [P.Y. 16598] Equity shares of Bank of Baroda of Rs 10/- each fully paid up.[Market value Rs.Nil (P.Y.Rs.3826668)]	0.00	0.38
4992 [P.Y. Nil] Equity shares of Firstsource Solutions Ltd of Rs 10/- each fully paid up.[Market value Rs.360422 (P.Y.Rs. Nil)]	0.03	0.00
8232 [P.Y. 8232] Equity shares of Gateway Distriparks Ltd. of Rs.10/- each fully paid up. [Market value Rs.1359103 (P.Y.Rs.2087223)]	0.06	0.06
121797 [P.Y.121797] Equity shares of Guj. State Petronet Ltd. of Rs.10/- each fully paid up.[Market value Rs.5724459(P.Y.Rs.4476039)]	0.33	0.33
33 [P.Y.33] Equity shares of ICICI Bank Ltd. of Rs.10/- each fully paid up.[Market value Rs.28161 (P.Y.Rs.19439)]	0.00	0.00
273965 [P.Y.Nil] Equity shares of IDEA Ltd. of Rs.10/- each fully paid up.[Market value Rs. 25917089 (P.Y.Rs. Nil)]	2.05	0.00
Nil [P.Y. 50757] Equity shares of IDFC Ltd. of Rs. 10/- each fully paid up [Market value Rs. Nil (P.Y.Rs.3380416)]	0.00	0.17
100 [P.Y. Nil] Equity shares of J.K.Cement of Rs. 10/- each fully paid up [Market value Rs. 14495 (P.Y.Rs.Nil)]	0.00	0.00

	AS AT 31.03.2007	AS AT 31.03.2006
(LONG TERM INVESTMENTS) (QUOTED EQUITY SHARES) Contd.		
5 [P.Y. 5] Equity shares of Maral Overseas Ltd. of Rs.10/- each fully paid up.[Market value Rs. 87 (P.Y.Rs. 146)]	0.00	0.00
33770 [P.Y. 33770] Equity shares of NTPC of Rs.10/- each fully paid up.[Market value Rs.5073942 (P.Y.Rs. 4528557)]	0.21	0.21
79539 [P.Y. Nil] Equity shares of Power Finance Corp Ltd of Rs.10/- each fully paid up.[Market value Rs. 8295918 (P.Y.Rs. Nil)]	0.68	0.00
100 [P.Y. 100] Equity shares of Riddhi Siddhi Gluco Biols Ltd. of Rs.10/- each fully paid up.[Market value Rs. 27655 (P.Y.Rs. 19385)]	0.00	0.00
544 [P.Y. Nil] Equity shares of Reliance Petroleum Ltd. of Rs.10/- each fully paid up.[Market value Rs. 38923 (P.Y.Rs. Nil)]	0.00	0.00
38 [P.Y. Nil] Equity shares of Videocon Industries Ltd. of Rs.10/- each fully paid up.[Market value Rs.17009(P.Y.Rs. Nil)]	0.00	0.00
IN MUTUAL FUNDS [UNQUOTED]		
250000 [P.Y. 250000] Units of Reliance Mutual Fund of Rs.10/- each [NAV Rs.2760000(P.Y.Rs. 2540000)]	0.25	0.25
270000 [P.Y. Nil] Units of Kotak Lifestyle Mutual Fund of Rs.10/- each [NAV Rs.3141990 (P.Y.Rs. 2780460)]	0.27	0.27
10000 [P.Y. Nil] Units of PNB Long Term Equity Fund of Rs.10/- each [NAV Rs.989000 (P.Y.Rs. Nil)]	0.10	0.00
UNQUOTED (EQUITY SHARES)		
10000 [P.Y. 10000] Equity shares of Kalupur Com. Co-Op. Bank Ltd. of Rs 25/- each fully paid up.	0.02	0.02
IN SUBSIDIARY COMPANY		
854212 [P.Y. 854212] Ordinary Shares of One Singapore Dollar each,fully paid in Gujarat Ambuja International Pte Ltd.	2.06	2.06
IN OTHERS		
2083580 [P.Y. 2083580] Equity Shares of Royale Exports Ltd, Srilanka each of Rs. 10/- of Srilankan Rupees	0.98	0.98
389490 [P.Y. 389490] Equity shares of Jupiter Corporate Services Ltd. of Rs. 10/- each fully paid up.	1.94	1.94
GOVERNMENT SECURITY		
National Saving Certificates	0.02	0.02
[Lodged with Sales tax & Other Government authorities]		
	<u>9.18</u>	<u>6.87</u>
AGGREGATE COST OF QUOTED INVESTMENTS (in Rs.)	35519417	13360867
AGGREGATE COST OF MUTUAL FUND (in Rs.)	6200000	5200000
MARKET VALUE OF QUOTED INVESTMENTS (in Rs.)	48429919	19985756
NAV OF MUTUAL FUND (in Rs.)	6890990	5320460
AGGREGATE COST OF UNQUOTED INVESTMENTS (in Rs.)	50109038	50130687
SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES		
(A) Current Assets		
1 Inventories (As taken,Valued & Certified by the management)		
Finished Goods	98.82	69.35
Work in Process	3.30	2.14
Raw Materials	104.30	148.76
Packing Materials	2.76	1.55
Stores & Spares,Coal,Diesel,Furnace Oil	7.89	5.35
	<u>217.07</u>	<u>227.15</u>
2 Sundry Debtors (Unsecured,Considered Good)		
Outstanding for a period exceeding six months	0.02	0.00
Others	66.64	66.03
	<u>66.66</u>	<u>66.03</u>
3 Cash & Bank Balances		
Cash on Hand	0.83	0.34
Balance with Banks		
With Scheduled Banks		
(a) in Current accounts	0.91	3.25
(b) in Fixed Deposit accounts	11.50	0.80
(with Bank as Lien as margin money for line of credit)		
(c) Lien Free Fixed Deposit accounts	0.60	0.00
With Other Banks		
(a) on Current accounts Includes balances with	0.57	0.15
(a) Shri Kadi Nagrik Sahakari Bank Ltd Rs.19893/- (P.Y. Rs. 23279/-)		
[Maximum balance outstanding during the year Rs.23279/- (P.Y.Rs.24359/-)]		
(b) The Akola Janta Comm.Co.Op.Bank Ltd Rs. 5747729/- (P.Y.Rs.1470622/-)		
[Maximum balance outstanding during the year Rs. 7055070/- (P.Y.Rs.1493901/-)]		
	<u>14.41</u>	<u>4.54</u>
4 Loans & Advances (Unsecured,Considered Good)		
Advances recoverable in cash or in kind or for value to be received	7.28	0.50
Advances for Goods & Expenses	1.05	0.79
Excise Balances	1.81	1.26
	<u>10.14</u>	<u>2.55</u>
	<u>308.28</u>	<u>300.27</u>
SCHEDULE "H" CURRENT LIABILITIES		
Creditors for Capital goods	3.90	1.09
Creditors for Goods & Expenses & other Liabilities	29.11	6.51
Bank Overdraft as per Books	0.09	0.00
Unclaimed Dividend(Not due for transfer to I.E & P Fund)	1.00	0.74
	<u>34.10</u>	<u>8.34</u>
SCHEDULE "I" PROVISIONS		
Proposed Dividend	5.86	3.81
[Including Dividend Distribution Tax Rs. 85.24 Lacs (P.Y Rs. 46.89 Lacs)]		
Tax Balances: Current Tax - (Provisions Less Advance Tax)	2.32	1.98
Provision for Retirement Benefits		
Gratuity	0.22	1.89
Leave Encashment	0.54	0.50
	<u>8.94</u>	<u>8.18</u>

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SCHEDULE "E" FIXED ASSETS

(Rs. in Crores)

SR No.	PARTICULARS	Gross Block			Depreciation			Net Block			
		As at 01.04.2006	Additions During the year	(Deductions) During the year	Total as at 31.03.2007	As at 01.04.2006	For the year	Deduction during the year	Total as at 31.03.2007	As at 31.03.2007	As at 31.03.2006
1	Free Hold Land	3.04	0.05	0.35	2.74	0.00	0.00	0.00	0.00	2.74	3.04
2	Lease Hold Land	0.64	0.20	0.00	0.84	0.00	0.00	0.00	0.00	0.84	0.64
3	Factory Building	54.96	0.62	1.86	53.72	17.79	1.80	1.86	17.73	35.99	37.17
4	Non Factory Building & Colony	7.76	3.64	0.03	11.37	1.60	0.13	0.03	1.70	9.67	6.16
5	Plant & Machinery	227.89	12.90	2.02	238.77	94.82	17.92	1.80	110.94	127.83	133.07
6	Wind Mill	16.58	15.23	0.00	31.81	0.16	1.30	0.00	1.46	30.35	16.42
7	Electric Supply System	8.11	0.76	0.17	8.70	4.69	0.68	0.17	5.20	3.50	3.42
8	Vehicles	3.10	0.98	0.11	3.97	1.55	0.29	0.07	1.77	2.20	1.55
9	Furniture & Fixtures	1.80	0.10	0.02	1.88	1.20	0.11	0.02	1.29	0.59	0.60
10	Office Equipments	2.53	0.93	0.02	3.44	1.06	0.26	0.01	1.31	2.13	1.47
11	D.G.Set	26.22	2.79	1.27	27.74	12.27	2.33	0.36	14.24	13.50	13.95
12	Temple	0.24	0.00	0.00	0.24	0.04	0.00	0.00	0.04	0.20	0.20
13	Factory Road	1.01	0.37	0.00	1.38	0.06	0.02	0.00	0.08	1.30	0.95
14	Effluent Treatment Plant	1.10	3.70	0.00	4.80	0.80	0.21	0.00	1.01	3.79	0.30
15	Trade Mark	0.50	0.00	0.00	0.50	0.30	0.05	0.00	0.35	0.15	0.20
	TOTAL :	355.48	42.27	5.85	391.90	136.34	25.10	4.32	157.12	234.78	219.14
	CAPITAL WORK IN PROGRESS	0.28	27.17	8.08	19.37	0.00	0.00	0.00	0.00	19.37	0.28
	CAPITAL ADVANCE	0.00	8.33	0.00	8.33	0.00	0.00	0.00	0.00	8.33	0.00
	TOTAL :	355.76	77.77	13.93	419.60	136.34	25.10	4.32	157.12	262.48	219.42
	Previous year	286.79	74.54	5.57	355.76	115.80	23.77	3.23	136.34	219.42	170.99

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

Rs. in Crores

	YR. ENDED 31.03.2007	YR. ENDED 31.03.2006		YR. ENDED 31.03.2007	YR. ENDED 31.03.2006
SCHEDULE "J" SALES					
Export Sales [FOB Value Rs.5109676443/- (P.Y.Rs 3873849997/-)]	538.23	409.82			
Domestic Sales	872.21	877.52			
	1410.44	1287.34			
SCHEDULE "K" OTHER INCOME					
Dividend (Gross) [TDS Nil (P.Y.Nil)]	0.04	0.03			
Miscellaneous Income	0.04	0.10			
Profit on Sale of Investments (Net)	0.48	0.37			
Profit on Sale of Assets (Net)	0.53	0.00			
	1.09	0.50			
SCHEDULE "L" COST OF GOODS SOLD					
Opening 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			
Add : Materials Purchased	1111.32	1165.02			
	1333.12	1287.52			
Less :Sale of Raw Materials	2.58	3.01			
Less :Closing Stock					
Raw Materials	104.30	148.76			
Work-in-Process	3.30	2.14			
Finished Goods	98.82	69.35			
Packing Materials	2.76	1.55			
	209.18	221.80			
Total Cost of Goods Sold	1121.36	1062.71			
SCHEDULE "M" MANUFACTURING EXPENDITURE					
Stores & Spares Consumed	6.51	7.07			
Power,Electricity,Diesel,LDO & Fuel Expenses	35.30	27.82			
Coal ,Castor DOC & Fuel Consumed	16.93	15.21			
Repairs : Plant & Machinery	1.23	1.00			
Building	0.92	0.54			
Others	0.54	0.24			
Insurance [Net of Claims]	0.50	0.89			
Other Manufacturing Expenses	6.12	5.75			
	68.05	58.52			
SCHEDULE "N" EMPLOYEES' COST					
Salary,Wages & Bonus	19.92	18.46			
Gratuity	0.40	0.52			
Leave Encashment	0.17	0.20			
Contribution to Provident Fund & Other Funds	1.14	0.97			
	21.63	20.15			
SCHEDULE "O" ADMINISTRATIVE EXPENSES					
Conveyance & Travelling Expenses [Including Directors Travelling Rs.6292585/- (P.Y.Rs 4269512/-)]	1.73	0.87			
Electric Expenses	0.42	0.39			
Vehicle Maintenance Expenses	1.01	0.73			
Insurance Expenses	0.36	0.62			
Printing,Stationery,Postage & Telephone	1.50	1.42			
Legal & Professional Expenses	1.38	1.18			
Rent	0.40	0.13			
Rates & Taxes	0.10	0.16			
Donations	0.05	0.11			
Payment to Auditors					
For Audit	0.09	0.09			
For Tax Audit	0.02	0.02			
For Others	0.01	0.03			
General Administrative Charges	3.35	2.18			
	10.42	7.93			
SCHEDULE "P" SALES EXPENSES					
For Domestic Sales					
Local Sales Expenses	14.09	6.22			
Commission & brokerage	0.57	1.17			
	14.66	7.39			
For Export Sales					
Exports Sales Expenses	59.50	48.01			
Commission & brokerage	0.64	0.33			
Insurance	0.01	0.01			
	60.15	48.35			
	74.81	55.74			
SCHEDULE "Q" FINANCE & OTHER CHARGES					
Interest on Fixed Loans	0.22	0.08			
Interest on Working Capital Loans	6.66	5.06			
Interest on Others	0.01	0.04			
Bank and Other Financial Charges	2.92	6.94			
Swaping , Forex & Other Expenses	0.11	0.11			
	9.92	12.23			
LESS : INCOME					
Interest on Bank Deposits (Gross) [TDS Rs. 1680078/- (P.Y.TDS Rs. 10483964/-)]	0.77	4.70			
Interest on Others (Gross) [TDS Rs.103373/- (P.Y.TDS Rs. 22792/-)]	0.30	0.11			
Foreign Exchange Fluctuation (Net)	0.03	0.00			
	1.10	4.81			
Net	8.82	7.42			



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

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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 is 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 obligating event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

(J) Revenue Recognition Sales

Sales are net of Sales Tax, Returns, Discount and Quality rebates, loss on forward exchange contracts and include Excise Duty & its related entitlements & gains on forward exchange contracts.

(K) Foreign Currency Transaction

- (i) 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.
- (ii) 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

- (1) 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.
- (2) Assets costing less than Rs 5000/- are charged off as depreciation during the year of purchase/installation.
- (3) 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

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.

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 forming part of Accounts (Rs in Crores)

1. Contingent liabilities not provided for in respect of

	PARTICULARS	2006-07	2005-06
a	Claims against the Company /disputed liabilities not acknowledged as debts	6.99	6.54
b	Disputed Excise duty, Sales Tax, Motor Spirit Tax, Income Tax Claims	21.46	13.81
c	Estimated Amount of Contract Pending execution on Capital Account [Net of Advances of Rs. 7.26 Crores (P.Y.Rs. 0.99 Crores)]	43.14	1.46
d	Letter of Credit & Bank Guarantee [Net of Margin Money Rs. 10.22 Crores (P.Y. Rs. 58.17 Crores) & discharged since then]	25.27	10.08
e	Corporate guarantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte. Ltd	12.93 (US \$ 3 Mn)	13.34 (US \$3Mn)

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

2. In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. 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 2007	As at 31st March 2006
A Deferred tax liabilities		
(i) Depreciation	49.78	36.40
(ii) Other Provisions	0.00	0.00
Total	49.78	36.40
B Deferred tax Assets		
(i) Provisions - 43 B items (Gratuity & Leave Encashment)	0.10	0.80
(ii) Unabsorbed Depreciation	0.00	0.00
Total	0.10	0.80
Net Deferred tax liability	49.68	35.60

4. Sales include realised gain of exchange on forward exchange contracts (Net of Settlements) entered into primarily for hedging purpose Rs. 7.15 Crores (net) [P.Y. Rs. 4.62 Crores (net)].

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

(A) Foreign Exchange Exposure Hedged

Nature of Instrument	Currency	Purchase / Sale	March 31, 2007 Amount	March 31, 2006 Amount
HEDGED				
A Forward Contracts	USD	SALE	136.01	82.37
B Option Contracts				
1. BUY / PUT OR SELL (CALL)	USD	SALE	68.98	35.60
2. BUY CALL OR BUY CALL OR SELL CALL	USD	PURCHASE	30.44	0.00
3. USD PUT CHF CALL OR CHF PUT USD CALL	CHF	SALE	52.45	31.05
4. Receivable	USD	SALE	41.66	17.01
	EUR	SALE	0.32	0.00

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

(B) Exposure not hedged

		2006-07	2005-06
Payable	USD	20.96	45.25
	CHF	0.00	13.78
	EURO	7.05	5.78
LC Opened Liability (Goods to be Received)	DKK	0.00	2.80
	USD	13.04	12.08
	EURO	1.61	0.55
	CHF	0.73	0.00

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

6. During the year Company has capitalised borrowing costs of Rs.3.43 Crores (P.Y. Rs. 1.79 Crores)

7. Managerial Remuneration

PARTICULARS	2006-07	2005-06
Salary	0.47	0.46
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	0.00

8. (a) 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, 2007 and hence there is no balance outstanding for more than 30 days as at 31st March, 2007 owed to such undertakings.

(b) Based on information available with the company, there are no supplier who are registered as Micro, Small or Medium Enterprise under "Micro, Small and Medium Enterprise Development Act, 2006" as at March 31st, 2007.

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

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

	2006-07	2005-06
Subsidiary Company Gujarat Ambuja International Pte.Ltd	Nil	Nil
Maximum amount due during the year	Nil	Nil

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

I. CAPACITY WITH REGARD TO CLASS OF GOODS MANUFACTURED / POWER GENERATION UNIT (Installed capacity is certified by management)

PARTICULARS	Unit	2006-07	2005-06
A Solvent Extraction Unit Installed Capacity	TPA	990000	990000
B Vanaspati Unit Installed Capacity	TPA	30000	30000
C Refining of any kind of oil Installed Capacity	TPA	360000	360000
D Maize based Starch, Seed Crushing Installed Capacity	TPA	175000	175000
E Wheat Products Installed Capacity	TPA	112500	112500
F 100% E.O.U. Cotton Spinning Unit - Ring Spun Yarn	TPD	44	43
G Power Generation Unit (Wind Mills)	M W	6.95	3.65

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	Sales		Transfer for captive consumption QTY.	Closing Stock	
		QTY.	RS.	QTY.	QTY.	RS.		QTY.	RS.
(A) AGRO PROCESSING DIVISION									
1. Food Products	M.T	19213.088 (11680.256)	60.63 (36.88)	153157.109 (246105.530)	149579.719 (237884.298)	541.26 (642.43)	1065.000 (688.400)	21725.478 (19213.088)	66.06 (60.63)
2. Chemicals & Allied Products	M.T	1523.025 (736.975)	1.77 (0.63)	63641.950 (62680.208)	29272.850 (32518.500)	41.19 (37.07)	32406.580 (29375.658)	3485.545 (1523.025)	5.20 (1.77)
3. Extractions & Derivatives		6795.162 (11864.415)	5.76 (6.25)	742412.552 (600470.749)	723854.310 (605198.232)	661.35 (488.77)	816.715 (341.770)	24536.689 (6795.162)	25.22 (5.76)
(B) COTTON YARN DIVISION									
1. Cotton Yarn	M.T	114.879 (169.564)	0.97 (1.58)	15387.675 (12726.378)	15271.869 (12781.064)	159.37 (123.49)	0.000 (0.00)	230.685 (114.879)	2.21 (0.97)
2. Others			0.22 (0.16)			11.27 (6.17)			0.13 (0.22)
(C) WINDMILL DIVISION									
1. Power Generation unit	Unit	0.00 (0.00)	0.00 (0.00)	8497331.00 (1000974.001)	8157438.00 (960933.00)	4.25 (0.50)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

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

2. Actual production includes quantities for captive consumption.

II. (b) MATERIALS CONSUMED

ITEMS	2006-07		2005-06	
	Qty. (M.T.)	Amount	Qty. (M.T.)	Amount
Agro Products	913411.698	1035.88	879042.977	997.70
Cotton & Cotton Yarn	20029.691	97.17	15682.613	73.07
Chemicals & Others	N.A.	18.94	N.A.	16.05
Total	933441.389	1151.99	894725.590	1086.82

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

PARTICULARS	2006-07		2005-06	
	Amount	%	Amount	%
(A) RAW MATERIALS				
Imported	87.86	7.63	320.35	29.49
Indigenous	1064.13	92.37	766.47	70.51
Total	1151.99	100.00	1086.82	100.00
(B) STORES, SPARES & COMPONENTS				
Imported	0.78	11.98	0.31	4.37
Indigenous	5.73	88.02	6.76	95.63
Total	6.51	100.00	7.07	100.00

13. Value of Imports on CIF basis during the year

PARTICULARS	2006-07 Amount	2005-06 Amount
Capital Goods	3.95	32.97
Goods	77.14	334.34
Stores & Components	0.78	0.31

14. Earnings in Foreign currency during the year

PARTICULARS	2006-07 Amount	2005-06 Amount
FOB Value of Export Sales	510.97	387.38

15. Expenditure in foreign currency during the year

PARTICULARS	2006-07 Amount	2005-06 Amount
Consumables	27.96	11.86
Bank Charges, Foreign Travelling etc.	0.70	4.66
Export Claims	0.00	0.15
Overseas Commission	0.30	0.00
Membership fees, Books & Periodicals	0.05	0.05
Others	1.72	0.28

Note There are no foreign remittances towards dividend.

16. Earning per Share (EPS) (On Equity Shares of Rs. 2/- each)

PARTICULARS	2006-07 Amount	2005-06 Amount
Net Profit as per Profit & Loss Account	46.75	30.31
No. of Equity Shares as at year end (Previous year's figures restated)	139318490	139318490
Earning per Equity Share of Rs 2/- each (Basic & Diluted)	3.356	2.176

17. Segment Information for the year ended 31st March 2007

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% voting power.
3. Manishkumar Gupta	Managing Director (Key Managerial person)	Key Managerial person & Relative as Son of Mr Vijaykumar Gupta & Person exercising more than 20% voting power.
4. Sulochana Gupta	Relative	Relative as wife of Mr. Vijaykumar Gupta & mother of Manish Gupta
5. Shilpa Gupta	Relative	Relative as wife of Mr. Manish Gupta
6. Mohit Gupta	Relative	Relative as 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

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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	0.07	0.07			
P.Y. (0.38)	(0.38)				
b. Purchase of Goods	0.00	0.00			
P.Y. (0.13)	(0.13)				
c. Sale of Shares	0.00	0.00			
P.Y. (1.49)	(1.49)				
d. Managerial Remuneration	0.47			0.47	
P.Y. (0.46)	(0.46)			(0.46)	
e. Services : Sitting Fees	0.01				0.01
P.Y. (0.01)	(0.01)				(0.01)
f. Dividend paid	2.11			1.75	0.36
P.Y. (1.93)	(1.93)			(1.60)	(0.33)
Balance Outstanding as at 31.03.2007					
Amount Payable	0.00	0.00	0.00	0.00	0.00
P.Y. (0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

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

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

I. REGISTRATION DETAILS

Regn.No.: L15140 GJ1991PLC016151 State Code 04 Balance Sheet Date 31.03.2007

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 536.90 Total Assets 536.90

SOURCES OF FUNDS

Paid up Capital 27.86 Reserves & Surplus 275.58
 Secured Loans 182.99 Unsecured Loans 0.79

Deferred tax Liability (Net) 49.68

APPLICATION OF FUNDS

Net Fixed Assets 262.48 Investment 9.18
 Net Current Assets 265.24 Misc. Expenditure Nil

Accumulated Losses Nil

IV. PERFORMANCE OF THE COMPANY

Turnover 1398.92 Total Expenditure 1329.10
 Profit/Loss before tax 69.82 Profit/Loss after Tax 46.75
 Earning per share in Rs. 3.356 Dividend Rate % 18.00
 Dividend per Share Rs. 0.36

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

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

20. Previous year's 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)

ASHWIN AMIN
 PARTNER
 Membership No.: 35070

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

PLACE : AHMEDABAD
 Date : 28th JULY, 2007

PLACE : AHMEDABAD
 Date : 28th JULY, 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(Rupees in Crores)

PARTICULARS	YEAR 2006-07		YEAR 2005-06	
	RS.	RS.	RS.	RS.
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR		69.82		45.50
Depreciation	25.10		23.77	
Interest Paid	9.92		12.23	
Interest Received	(-1.10)		(-4.81)	
Dividend Received	(-0.04)		(-0.03)	
Profit on Sales of Investment	(-0.48)		(-0.37)	
Loss (Profit) on Sales of Assets	(-0.53)		0.92	
		32.87		31.71
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES, ADJUSTMENTS FOR		102.69		77.21
Trade and other Receivables	(-8.22)		(-0.83)	
Inventories	10.08		(-98.68)	
Trade Payables	26.52		(-47.78)	
		28.38		(-147.29)
CASH GENERATED FROM OPERATIONS		131.07		(-70.08)
CASH FLOW BEFORE EXTRAORDINARY ITEMS				
EXTRAORDINARY ITEMS				
Dividend & Tax on Distribution		(-5.86)		(-3.81)
Tax Provision		(-8.99)		(-2.60)
NET CASH FROM OPERATING ACTIVITIES [A]		116.22		(-76.49)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(-66.25)		(-72.60)	
Sales of Fixed Assets	2.05		1.28	
Purchase of Investments	(-3.41)		(-1.87)	
Sales of Investments	1.58		2.60	
Interest Received	1.10		4.82	
Dividend Received	0.04		0.03	
NET CASH GENERATED IN INVESTING ACTIVITIES [B]		(-64.89)		(-65.74)
		51.33		(-142.22)
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayment) /Proceeds from Bank Borrowings	(-28.08)		93.79	
Proceeds from Unsecured Loans	(-0.03)		(-0.15)	
Interest Paid	(-13.35)		(-14.03)	
NET CASH USED IN FINANCING ACTIVITIES [C]		(-41.46)		79.61
NET INCREASE IN CASH & CASH EQUIVALENTS [A+B+C]		9.87		(-62.61)
Cash & Cash Equivalents as at (Opening Balance) 01st APRIL	4.54		67.15	
Cash & Cash Equivalents as at (Closing Balance) 31st MARCH	14.41		4.54	
		9.87		(-62.61)

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 31.03.2007	As at 31.03.2006
Cash in hand(including cheques on hand)	0.82	0.34
With Scheduled Banks on Current Accounts	2.09	4.03
Short term Deposits	11.50	0.17
	14.41	4.54

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

For and on behalf of the Board of Directors

VIJAYKUMAR GUPTA
 (CHAIRMAN & MANAGING DIRECTOR)

MANISH V.GUPTA
 (MANAGING DIRECTOR)

ASHWIN AMIN
 PARTNER
 Membership No.: 35070

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

PLACE : AHMEDABAD
 Date : 28th JULY, 2007

PLACE : AHMEDABAD
 Date : 28th JULY, 2007



GUJARAT AMBUJA EXPORTS LIMITED

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 2007.

1. Directors

The directors of the Company in office at the date of this report are-
MANISH VIJAY KUMAR GUPTA
VIJAY KUMAR GUPTA
GUPTA SHILPA

2. Arrangements to enable directors to acquire shares or debentures

Neither 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

Names of the Director	GUJARAT AMBUJA EXPORTS LTD	
	At the beginning of the year	At the end of the year
MANISH VIJAY KUMAR GUPTA	33,062,865	33,062,865
VIJAY KUMAR GUPTA	39,758,475	39,758,475
GUPTA SHILPA	1,605,000	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 VIJAYKUMAR GUPTA) - Director
(SHILPA GUPTA) - Director

Singapore,
Date : 9th JUNE, 2007

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 2007 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 VIJAYKUMAR GUPTA) - Director
(SHILPA GUPTA) - Director

Singapore,
Date : 9th JUNE, 2007

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, 2007 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 9th June, 2007.

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 :

- We have audited the attached Balance Sheet of Gujarat Ambuja International Pte. Ltd. as at 31st March 2007 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.
- Gujarat Ambuja International Pte. Ltd. incorporated in Republic of Singapore is the wholly owned subsidiary of Gujarat Ambuja Exports Ltd.
- 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.
- Further to above & relying upon the above referred financial statements and auditors report dated 9th June, 2007 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 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 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 2007; 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 : 28th JULY, 2007

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	YEAR 2006-07		YEAR 2005-06	
	RS.	RS.	RS.	RS.
(Rupees in Crores)				
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS		0.03		0.49
ADJUSTMENTS FOR				
Depreciation [Rs.19662 (P.Y. Rs.16348)]	0.00		0.00	
Interest Paid	0.12		0.10	
Interest Received	(-)0.02		(-)0.01	
		0.10		0.09
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		0.13		0.58
ADJUSTMENTS FOR				
Trade and other Receivables	3.30		(-)2.91	
Inventories	0.00		0.75	
Trade Payables	(-)3.55	(-)0.25	3.69	1.53
CASH GENERATED FROM OPERATIONS		(-)0.12		2.11
CASH FLOW BEFORE EXTRAORDINARY ITEMS				
EXTRAORDINARY ITEMS				
Dividend & Tax on Distribution		0.00		0.00
Tax Provision / Payment		(-)0.01		0.00
NET CASH FROM OPERATING ACTIVITIES		(-)0.13		2.11
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets [Rs. 9583 (P.Y. Rs. 88592)]	0.00		(-)0.01	
Purchase of investments	0.00		(-)1.50	
Interest Received	0.02		0.01	
NET CASH GENERATED IN INVESTING ACTIVITIES		0.02		(-)1.50
		(-)0.11		0.61
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(-)0.12		(-)0.10	
NET CASH USED IN FINANCING ACTIVITIES		(-)0.12		(-)0.10
D. OTHERS				
Adjustments - Reserves		(-)0.03		0.06
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		(-)0.26		0.57
Cash & Cash Equivalents as at (Opening Balance) 1st APRIL	0.99		0.42	
Cash & Cash Equivalents as at (Closing Balance) 31st MARCH	0.73		0.99	
		(-)0.26		0.57
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
		31.03.2007		31.03.2006
Cash in hand (including cheques on hand) [Rs.3491 (P.Y.Rs.8259)]		0.00		0.00
With Scheduled Banks on Current Accounts		0.29		0.55
Short term Deposits		0.44		0.44
		0.73		0.99

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

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

VIJAYKUMAR GUPTA
(DIRECTOR)

ASHWIN AMIN
PARTNER
MEMBERSHIP NO. : 35070

MANISH GUPTA
(DIRECTOR)

Date : 28th JULY, 2007
Place : Ahmedabad

Date : 28th JULY, 2007
Place : Ahmedabad

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

BALANCE SHEET AS AT 31st MARCH 2007

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007

		(Rs. In Crores)	
	SCHEDULE	AS AT 31.03.2007 AMOUNT	AS AT 31.03.2006 AMOUNT
(A) SOURCES OF FUNDS			
1 SHARE HOLDERS' FUND			
Share Capital	A	1.99	1.99
Reserves & Surplus	B	0.22	0.27
		2.21	2.26
2 LOAN FUNDS			
Secured Loans	C	0.00	0.00
Unsecured Loans	D	0.00	0.00
		0.00	0.00
3 DEFERRED TAX LIABILITY			
Deferred tax liability		0.00	0.00
Deferred tax assets		(-)0.00	(-)0.00
		0.00	0.00
TOTAL		2.21	2.26
(B) APPLICATION OF FUNDS			
1 FIXED ASSETS			
Gross Block	E	0.07	0.10
Less : Depreciation		0.07	0.10
Net Block		0.00	0.00
Add : Capital work in Progress		0.00	0.00
		0.00	0.00
2 INVESTMENTS			
3 CURRENT ASSETS, LOANS & ADVANCES			
Inventories	G	0.00	0.00
Sundry Debtors		0.53	3.83
Cash & Bank Balances		0.73	0.99
Loans & Advances		0.01	0.02
		1.27	4.84
Less : Current Liabilities	H	0.52	4.07
Provisions	I	0.00	0.01
		0.52	4.08
Net Current Assets		0.75	0.76
TOTAL		2.21	2.26
Significant Accounting Policies & Notes forming part of Accounts	R		

		(Rs. In Crores)	
	SCHEDULE	FOR THE YR. ENDED 31.03.2007 AMOUNT	FOR THE YR. ENDED 31.03.2006 AMOUNT
(A) INCOME			
Sales	J	13.50	23.47
Less : Excise Duty		0.00	0.00
Net Sales		13.50	23.47
Other Income	K	0.00	0.48
TOTAL - "A"		13.50	23.95
(B) EXPENDITURE			
Cost of Goods Sold	L	12.89	22.82
Manufacturing Expenses	M	0.00	0.00
Employees' Cost	N	0.38	0.34
Administrative Expenses	O	0.10	0.21
Sales Expenses	P	0.00	0.00
Loss on Sale of Fixed Assets		0.00	0.00
Finance & Other Charges	Q	0.10	0.09
Depreciation [Rs.19662 (P.Y. Rs.16348)]		0.00	0.00
TOTAL - "B"		13.47	23.46
Profit before Tax (A-B)		0.03	0.49
Provision for Taxation			
- Current tax (Rs. 14740)		0.00	0.01
- Short Provision of Income Tax [Rs.1576 (P.Y. Rs.NIL)]		0.00	0.00
- Deferred tax		0.00	0.12
Profit after Tax		0.03	0.36
Add: Balance of Profit from Previous Year		(-)0.10	(-)0.45
Profit available for appropriation		(-)0.07	(-)0.09
APPROPRIATION			
Balance carried to Balance Sheet		(-)0.07	(-)0.09
TOTAL		(-)0.07	(-)0.09
Earning per Ordinary Share of S \$ 1/- each (Basic & Diluted) (in Rs.)		0.322	4.236
Significant Accounting Policies & Notes forming part of Accounts	R		

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

For and on behalf of Board of Directors

VIJAYKUMAR GUPTA
(DIRECTOR)

ASHWIN AMIN
PARTNER
MEMBERSHIP NO. : 35070

MANISH GUPTA
(DIRECTOR)

Date : 28th JULY, 2007
Place : Ahmedabad

Date : 28th JULY, 2007
Place : Ahmedabad

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

For and on behalf of Board of Directors

VIJAYKUMAR GUPTA
(DIRECTOR)

ASHWIN AMIN
PARTNER
MEMBERSHIP NO. : 35070

MANISH GUPTA
(DIRECTOR)

Date : 28th JULY, 2007
Place : Ahmedabad

Date : 28th JULY, 2007
Place : Ahmedabad



Gujarat Ambuja International Pte. Ltd. (Incorporated in Singapore)
SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. In Crores)

	AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE "A" SHARE CAPITAL		
Authorised		
1000000 (P.Y.1000000) Ordinary shares of S \$ 1/- each converted in Indian Rupee at the Balance Sheet Date	2.33	2.33
	<u>2.33</u>	<u>2.33</u>
Issued,Subscribed and Paid Up Capital		
854212 (P.Y.854212) Ordinary Shares of S \$ 1/- each fully paid converted in Indian Rupees	1.99	1.99
	<u>1.99</u>	<u>1.99</u>
SCHEDULE "B" RESERVE & SURPLUS		
Translation Reserve		
As per last account	0.36	0.27
Add : Additions / Adjustments during the year	(-)0.07	0.09
	<u>0.29</u>	<u>0.36</u>
Exchange Reserve		
As per last account [Rs.(-)40096 (P.Y. Rs.202161)]	0.00	0.02
Add : Additions / Adjustments during the year [Rs.26584 (P.Y. Rs. (-)242257)]	0.00	(-)0.02
	<u>0.00</u>	<u>0.00</u>
Profit and Loss Account		
	(-)0.07	(-)0.09
	<u>0.22</u>	<u>0.27</u>
SCHEDULE "C" SECURED LOANS		
(A) Term Loans	0.00	0.00
(B) Other Loans (Working Capital)	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
SCHEDULE "D" UNSECURED LOANS		
	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

	AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE "F" INVESTMENTS		
UNQUOTED LONG TERM INVESTMENTS (AT COST)		
300000 (P.Y.300000) Equity Shares of INR Rs.10/- of Jupiter Corporate Services Ltd.	1.46	1.50
	<u>1.46</u>	<u>1.50</u>
SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES		
(A) Current Assets		
1 Inventories (As taken, Valued & Certified by the management)		
Finished Goods	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
2 Sundry Debtors (Unsecured, Considered Good)		
Others	0.53	3.83
	<u>0.53</u>	<u>3.83</u>
3 Cash & Bank Balances		
Cash on Hand [Rs. 3491 (P.Y. Rs. 8259)]	0.00	0.00
Balance with Banks		
(a) on Current account	0.29	0.55
(b) on Fixed Deposit account	0.44	0.44
	<u>0.73</u>	<u>0.99</u>
4 Loans & Advance (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	0.01	0.01
Advances for Goods & Expenses	0.00	0.01
	<u>0.01</u>	<u>0.02</u>
SCHEDULE "H" CURRENT LIABILITIES		
Creditors for Goods & Expenses & other Liabilities		
Suppliers Bills Discounted	0.52	1.41
	<u>0.00</u>	<u>2.66</u>
	<u>0.52</u>	<u>4.07</u>
SCHEDULE "I" PROVISIONS FOR TAXATION		
Current Tax [Rs.14740 (P.Y. Rs.85508)]	0.00	0.01
	<u>0.00</u>	<u>0.01</u>

SCHEDULE "E" FIXED ASSETS

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As At 01.04.06	Additions during the year	Deductions during the year	Total As At 31.03.07	As At 01.04.06	For the year	Deductions during the year	Total As At 31.03.07	As At 31.03.07	As At 31.03.06
1	Furniture & Fixtures	0.04	0.00	0.00	0.04	0.04	0.00	0.00	0.04	0.00	0.00
2	Office Equipments	0.06	(Rs.15)	(Rs.13319)	0.03	0.06	0.00	(Rs.13319)	0.03	(Rs.43)	(Rs.28)
	TOTAL	0.10	0.00	0.03	0.07	0.10	0.00	0.03	0.07	0.00	0.00
	Previous year	0.09	0.01	0.00	0.10	0.09	0.00	-0.01	0.10	0.00	0.00

Note : Figures in bracket are amount in Rupees.

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007 (Rs. In Crores)

	FOR THE YR. ENDED 31.03.2007 AMOUNT	FOR THE YR. ENDED 31.03.2006 AMOUNT
SCHEDULE "J" SALES		
Sales	13.50	23.47
	<u>13.50</u>	<u>23.47</u>
SCHEDULE "K" OTHER INCOME		
Miscellaneous Income	0.00	0.48
	<u>0.00</u>	<u>0.48</u>
SCHEDULE "L" COST OF GOODS SOLD		
Opening Stock		
Finished Goods	0.00	0.75
Add : Material Purchased / acquired	12.89	22.07
	<u>12.89</u>	<u>22.82</u>
Less : Closing Stock		
Finished Goods	0.00	0.00
Total Cost of Goods Sold	<u>12.89</u>	<u>22.82</u>
SCHEDULE "M" MANUFACTURING EXPENDITURE		
	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
SCHEDULE "N" EMPLOYEES COST		
Salary,Wages & Bonus	0.37	0.33
Contribution to Provident Fund & Other Funds	0.01	0.01
	<u>0.38</u>	<u>0.34</u>

	FOR THE YR. ENDED 31.03.2007 AMOUNT	FOR THE YR. ENDED 31.03.2006 AMOUNT
SCHEDULE "O" ADMINISTRATIVE EXPENSES		
Electric Expenses [Rs. 11736 (P.Y. Rs. 8875)]	0.00	0.00
Printing, Stationery, Postage & Telephone	0.02	0.02
Legal & Professional Expenses [Rs. 18655 (P.Y. Rs. 51256)]	0.00	0.00
Rent	0.05	0.05
Payment to Auditors		
For Audit Fees	0.01	0.01
General Administrative Charges	0.02	0.13
	<u>0.10</u>	<u>0.21</u>
SCHEDULE "P" SALES EXPENSES		
	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
SCHEDULE "Q" FINANCE & OTHER CHARGES		
Interest on Working Capital Loans	0.02	0.01
Bank and Other Financial Charges	0.10	0.09
Swapping , Forex & Other Expenses	0.00	0.00
	<u>0.12</u>	<u>0.10</u>
LESS : INCOME		
Interest on Bank Deposits	0.02	0.01
	<u>0.02</u>	<u>0.01</u>
Net Expenditure	<u>0.10</u>	<u>0.09</u>

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

SCHEDULE "R"

NOTES TO THE FINANCIAL STATEMENTS - 31st MARCH 2007

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 2007 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" (2006: 2) employees as at 31 March 2007

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) System of Accounting

- i) The accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- iii) 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)

	2007	2006
Current year provision [Rs.14740 (P.Y. Rs. 85508)]	0.00	0.01
	0.00	0.01

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)

	2007	2006
Profit before taxation	0.03	0.49
Tax at statutory rate of 20% (2006: 20%)	0.01	0.10
Utilisation of deferred tax benefits previously not recognized	0.00	(-0.08)
Others [Rs. 1638 (P.Y. Rs. 6221)]	0.00	(-0.00)
Singapore statutory stepped income Exemption	(-0.01)	(-0.01)
	0.00	0.01

4. DEFERRED TAXATION

(Rs. In Crores)

	2007	2006
Balance b/f	0.00	(-0.12)
Deferred tax assets on losses	0.00	0.12
Deferred tax liability on temporary Differences	0.00	0.00
Balance carried forward	0.00	0.00

5. INVESTMENT

(Rs. In Crores)

	2007	2006
Non marketable securities – at cost	1.46	1.50

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 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)

	2007	2006
Purchases from holding company	0.07	0.38
Sales to holding company	0.00	0.13
Amount Receivable as at 31 st March 2007	0.00	0.00

8. CONTINGENT LIABILITIES

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

(Rs. In Crores)

	2007	2006
Letters of Credit	0.00	1.69

9. HOLDING & ULTIMATE HOLDING COMPANY

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

10. LEASE COMMITMENTS

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

(Rs. In Crores)

	2007	2006
Payable within 1 year	0.08	0.05
Payable after 1 year	0.10	0.05

11. 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 : 28th JULY, 2007
Place : Ahmedabad

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

MANISH GUPTA
(DIRECTOR)

Date : 28th JULY, 2007
Place : Ahmedabad



GUJARAT AMBUJA EXPORTS LIMITED

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.

- We have audited the attached Consolidated Balance Sheet of Gujarat Ambuja Exports Ltd. (the Company) and its subsidiary as at 31st March 2007, the Consolidated Profit & Loss and the consolidated Cash Flow statement for the year ended on that date.
These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statement are prepared, in all material respects in accordance with an identified financial reporting frameworks and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.
- We did not audit financial statements of a subsidiary, Gujarat Ambuja International Pte. Ltd., Singapore, whose financial statements reflect total assets of Rs.2,72,25,625/- as at 31st March, 2007 and total revenues of Rs.13,49,64,284/- for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information of the subsidiary have been audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of subsidiary, is based solely on the report of the other auditors.
- We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.
- On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid subsidiary, we are of the opinion that the said consolidated financial statements together with notes thereon, give true and fair view in conformity with then accounting principles generally accepted in India,
 - In the case of Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31st March, 2007.
 - In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the company and its subsidiary for the year ended on that date

And

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

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

Partner

Membership No. 35070

Place : Ahmedabad
Date : 28th JULY, 2007

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

Sr. No	PARTICULARS	YEAR 2006-07		YEAR 2005-06	
		RS.	RS.	RS.	RS.
[Rupees in Crores]					
A. CASH FLOW FROM OPERATING ACTIVITIES					
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS				69.85	45.98
ADJUSTMENTS FOR					
Depreciation		25.10		23.77	
Interest Paid		10.04		12.33	
Interest Received		(-1.12)		(-4.82)	
Dividend Received		(-0.04)		(-0.03)	
Profit/Loss on Sales of Investment		(-0.48)		(-0.37)	
Profit/Loss on Sales of Assets		(-0.53)		0.92	
				<u>32.97</u>	<u>31.80</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				102.82	77.78
ADJUSTMENTS FOR					
Trade and other Receivables		(-4.81)		(-3.74)	
Inventories		10.08		(-97.93)	
Trade Payables		22.86	28.13	(-44.09)	(-145.76)
CASH GENERATED FROM OPERATIONS				130.95	(-67.98)
CASH FLOW BEFORE EXTRAORDINARY ITEMS					
EXTRAORDINARY ITEMS					
Dividend & Tax on Distribution				(-5.86)	(-3.81)
Tax Provision				(-9.00)	(-2.60)
NET CASH FROM OPERATING ACTIVITIES				116.09	(-74.39)
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets		(-66.25)		(-72.61)	
Sales of Fixed Assets		2.04		1.28	
Purchase of Investments		(-3.41)		(-3.37)	
Sales/Share reduction of Investments		1.58		2.60	
Interest Received		1.12		4.83	
Dividend Received		0.05		0.04	
NET CASH GENERATED IN INVESTING ACTIVITIES				(-64.87)	(-67.23)
				51.22	(-141.62)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Repayment/Proceeds from Bank Borrowings		(-28.08)		93.79	
Proceeds from Unsecured Loans		(-0.03)		(-0.15)	
Interest Paid		(-13.48)		(-14.13)	
NET CASH USED IN FINANCING ACTIVITIES				(-41.59)	79.51
D. OTHERS					
Consolidation Adjustments		(-0.01)			0.07
NET INCREASE IN CASH & CASH EQUIVALENTS				9.62	(-62.04)
Cash & Cash Equivalents as at (Opening Balance) 1st APRIL		5.53		67.57	
Cash & Cash Equivalents as at (Closing Balance) 31st MARCH		15.15		5.53	
				<u>9.62</u>	<u>(-62.04)</u>

- 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.
- Cash and cash equivalents include

	As at 31.03.2007	As at 31.03.2006
Cash in hand (including cheques on hand)	0.83	0.34
With Scheduled Banks on		
Current Accounts	2.38	4.58
Short term Deposits	11.94	0.61
	<u>15.15</u>	<u>5.53</u>
- 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**

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)

ASHWIN AMIN
PARTNER
Membership No.: 35070

PLACE : AHMEDABAD
Date : 28th JULY, 2007

PLACE : AHMEDABAD
Date : 28th JULY, 2007

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2007

		[Rupees in Crores]		
	SCHE- DULE	AS AT 31.03.2007	AS AT 31.03.2006	
		Amount	Amount	Amount
(A) SOURCES OF FUND				
1 SHARE HOLDERS' FUNDS				
Share Capital	A	27.86		27.86
Reserves & Surplus	B	275.73		234.89
			303.59	262.75
2 LOAN FUNDS				
Secured Loans	C	182.99		211.06
Unsecured Loans	D	0.79		0.82
			183.78	211.88
3 DEFERRED TAX LIABILITY				
Deferred tax liability		49.78		36.40
Deferred tax assets		(-0.10)		(-0.80)
			49.68	35.60
TOTAL		537.05		510.23
(B) APPLICATION OF FUNDS				
1 FIXED ASSETS				
Gross Block	E	391.97		355.58
Less : Depreciation		157.19		136.44
Net Block		234.78		219.14
Add : Capital work in Progress		27.70		0.28
			262.48	219.42
2 INVESTMENTS				
3 CURRENT ASSETS, LOANS & ADVANCES				
Inventories	G	217.07		227.15
Sundry Debtors		67.19		69.85
Cash & Bank Balances		15.15		5.53
Loans & Advances		10.14		2.67
			309.55	305.20
LESS: CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	H	34.61		12.41
Provisions	I	8.95		8.29
			43.56	20.70
Net Current Assets		265.99		284.50
TOTAL		537.05		510.23
Significant Accounting Policies	R			
Notes forming part of 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 : 28th JULY, 2007
Place : Ahmedabad

For and on behalf of Board of Directors
VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)
MANISH GUPTA
(MANAGING DIRECTOR)
KAUSHIK C. KHONA
(CHIEF FINANCIAL OFFICER & COMPANY SECRETARY)

Date : 28th JULY, 2007
Place : Ahmedabad

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED

		[Rupees in Crores]		
	SCHEDULE	FOR THE YR. ENDED 31.03.2007	FOR THE YR. ENDED 31.03.2006	
		Amount	Amount	
(A) INCOME				
Sales	J	1423.86		1310.30
Less : Excise Duty		11.51		5.19
Net Sales		1412.35		1305.11
Other Income	K	1.09		0.50
TOTAL - "A"		1413.44		1305.61
(B) EXPENDITURE				
Cost of Goods Sold	L	1134.18		1085.03
Manufacturing Expenses	M	68.05		58.52
Employees' Cost	N	22.00		20.48
Administrative Expenses	O	10.53		8.13
Sales Expenses	P	74.81		55.27
Loss on Sale of Fixed Assets (Net)		0.00		0.92
Finance & Other Charges	Q	8.92		7.51
Depreciation		25.10		23.77
TOTAL - "B"		1343.59		1259.63
Profit before Tax (A-B)		69.85		45.98
Provision for Taxation				
- Current tax		9.24		4.54
- Deferred tax		14.08		10.62
- Fringe benefit tax		0.22		0.15
- Less : Excess Provision of Earlier Years Written Back		0.47		0.00
Profit after Tax		46.78		30.67
Add: Balance of Profit from Previous Year		89.78		66.94
Add: Exchange Reserve		(-0.01)		(-0.01)
Profit available for appropriation		136.55		97.60
APPROPRIATION				
Transferred to General Reserve		6.00		4.00
Proposed Dividend [18% p.a. (P.Y. 12% p.a.)]		5.01		3.34
Provision for Dividend Distribution Tax		0.85		0.47
Balance carried to Balance Sheet		124.69		89.79
TOTAL		136.55		97.60
Earning per Equity Share of Rs.2/- each (Basic & Diluted)		3.358		2.201
Significant Accounting Policies	R			
Notes forming part of 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

Date : 28th JULY, 2007
Place : Ahmedabad

For and on behalf of Board of Directors
VIJAYKUMAR GUPTA
(CHAIRMAN & MANAGING DIRECTOR)
MANISH GUPTA
(MANAGING DIRECTOR)
KAUSHIK C. KHONA
(CHIEF FINANCIAL OFFICER & COMPANY SECRETARY)

Date : 28th JULY, 2007
Place : Ahmedabad



SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

Rs. in Crores

	AS AT 31.03.2007	AS AT 31.03.2006
SCHEDULE "A" SHARE CAPITAL		
Authorised 250000000(P.Y.250000000) Equity shares of Rs.2 each	50.00	50.00
	50.00	50.00
Issued,Subscribed and Paid Up Capital :		
139318490 (P.Y.139318490) Equity Share of Rs.2/- each	27.86	27.86
Notes:		
i. Includes 31500000 (P.Y.31500000) Equity shares of Rs.2/- each issued at a premium of Rs.0.20 per share on conversion of Optionally Convertible Unsecured Debentures		
ii. Includes 82188910 (P.Y.82188910) Equity shares of Rs.2/- each fully paid allotted on 30.4.99 in exchange of shares on amalgamation for consideration other than cash.		
iii. 31085420 (P.Y.31085420) Equity shares of Rs.2/- each reduced as per Scheme of arrangement approved by Honourable Gujarat High Court order dated 17th February 2003.		
iv. Includes 20490000 (P.Y.20490000) Equity Shares of Rs.2/- each fully paid, allotted on 31.1.2004 in exchange of shares on amalgamation for consideration other than cash.		
Explanation to Notes : Till 16th January 2006, the Company's paid up Capital was made up of Equity Shares of Rs. 10/- each which was then split into Equity Shares of Rs.2/- each.In the above notes the number of shares and premium is restated as related to Equity shares of Rs. 2/- each.		
	27.86	27.86
SCHEDULE "B" RESERVES & SURPLUS		
General Reserve		
Balance as per last Balance Sheet	137.02	133.02
Add : Transferred from Profit & Loss Account	6.00	4.00
	143.02	137.02
Capital Subsidy		
Balance as per last Balance Sheet	0.65	0.65
	0.65	0.65
Amalgamation Reserve Account		
Balance as per last Balance Sheet	0.02	0.02
	0.02	0.02
Capital Reserve		
As per last account	0.36	0.27
Add : Additions/ adjustments during the year	(-0.07)	0.09
	0.29	0.36
Exchange Reserve		
As per last account	(-0.06)	(-0.05)
Add : Additions/ adjustments during the year	0.01	(-0.01)
	(-0.05)	(-0.06)
Securities Premium Account		
Balance as per last Balance Sheet	0.89	0.89
	0.89	0.89
Capital Redemption Reserve		
Balance as per last Balance Sheet	6.22	6.22
	0.00	0.00
	6.22	6.22
Surplus as per Profit and Loss Account		
	124.69	89.79
	275.73	234.89
SCHEDULE "C" SECURED LOANS		
(A) Term Loans		
(i) from Indian Renewable Energy Development Agency, New Delhi (secured by hypothecation of Wind Mill mortgage of related land & personal guarantee of three promoter Directors.)	3.49	10.37
(ii) from Bank of India, under TUF scheme secured by hypothecation of specific movable Plant & Machinery & personal guarantee of three promoter Directors.	23.75	0.00
	27.24	10.37
(B) Other Loans (Working Capital)		
Secured by a hypothecation of current assets & certain tangible movable plant & machinery and joint equitable mortgage of certain immovable fixed assets of the Company and personal guarantee, mortgage and security of certain personal assets of three promoter directors and against lien on Fixed Deposits of the Company.		
- From Banks	155.75	200.69
	182.99	211.06
SCHEDULE "D" UNSECURED LOANS		
Dealers' & Distributors' Deposits	0.79	0.82
	0.79	0.82
SCHEDULE "F" INVESTMENTS (AT COST)		
(LONG TERM INVESTMENTS) (QUOTED EQUITY SHARES)		
10 [P.Y. 10] Equity shares of Adani Enterprises Ltd.of Rs.1/- each fully paid up.[Market value Rs.2101 (P.Y.Rs.5985)]	0.00	0.00
240 [P.Y. Nil] Equity shares of Ambuja Cement Ltd.of Rs.2/- each fully paid up.[Market value Rs.25500 (P.Y.Rs.Nil)]	0.00	0.00
20302 [P.Y.20302] Equity shares of Andhra Bank of Rs. 10/- each fully paid up.[Market value Rs.1543967 (P.Y.Rs.1639386)]	0.18	0.18
25 [P.Y. 25] Equity shares of Arvind Mills Ltd.of Rs.10/- each fully paid up.[Market value Rs.1088 (P.Y.Rs.2512)]	0.00	0.00
Nil [P.Y. 16598] Equity shares of Bank of Baroda of Rs. 10/- each fully paid up.[Market value Rs.Nil (P.Y.Rs.3826668)]	0.00	0.38
4992 [P.Y. Nil] Equity shares of Firstsource Solutions Ltd. of Rs. 10/- each fully paid up.[Market value Rs.360422 (P.Y.Rs. Nil)]	0.03	0.00
8232 [P.Y. 8232] Equity shares of Gateway Distriparks Ltd.of Rs.10/- each fully paid up. [Market value Rs.1359103 (P.Y.Rs.2087223)]	0.06	0.06
121797 [P.Y.121797] Equity shares of Guj. State Petronet Ltd. of Rs.10/- each fully paid up.[Market value Rs.5724459(P.Y.Rs.4476039)]	0.33	0.33
33 [P.Y.33] Equity shares of ICICI Bank Ltd. of Rs.10/- each fully paid up.[Market value Rs.28161 (P.Y.Rs.19439)]	0.00	0.00

	AS AT 31.03.2007	AS AT 31.03.2006
(LONG TERM INVESTMENTS) (QUOTED EQUITY SHARES) Contd.		
273965 [P.Y.Nil] Equity shares of IDEA Ltd.of Rs.10/- each fully paid up.[Market value Rs. 25917089 (P.Y.Rs. Nil)]	2.05	0.00
Nil [P.Y. 50757] Equity shares of IDFC Ltd of Rs. 10/- each fully paid up [Market value Rs. Nil (P.Y.Rs.3380416)]	0.00	0.17
100 [P.Y. Nil] Equity shares of J.K.Cement of Rs. 10/- each fully paid up [Market value Rs. 14495 (P.Y.Rs.Nil)]	0.00	0.00
5 [P.Y. 5] Equity shares of Maral Overseas Ltd.of Rs.10/- each fully paid up.[Market value Rs. 87 (P.Y.Rs. 146)]	0.00	0.00
33770 [P.Y. 33770] Equity shares of NTPC of Rs.10/- each fully paid up.[Market value Rs.5073942 (P.Y.Rs. 4528557)]	0.21	0.21
79539 [P.Y. Nil] Equity shares of Power Finance Corp Ltd of Rs.10/- each fully paid up.[Market value Rs. 8295918 (P.Y.Rs. Nil)]	0.68	0.00
100 [P.Y. 100] Equity shares of Riddhi Siddhi Gluco Biols Ltd.of Rs.10/- each fully paid up.[Market value Rs. 27655 (P.Y.Rs. 19385)]	0.00	0.00
544 [P.Y. Nil] Equity shares of Reliance Petroleum Ltd. of Rs.10/- each fully paid up.[Market value Rs. 38923 (P.Y.Rs. Nil)]	0.00	0.00
38 [P.Y. Nil] Equity shares of Videocon Industries Ltd. of Rs.10/- each fully paid up.[Market value Rs.17009(P.Y.Rs. Nil)]	0.00	0.00
IN MUTUAL FUNDS (UNQUOTED)		
250000 [P.Y. 250000] Units of Reliance Mutual Fund of Rs.10/- each [NAV Rs.2760000(P.Y.Rs. 2540000)]	0.25	0.25
270000 [P.Y. Nil] Units of Kotak Lifestyle Mutual Fund of Rs.10/- each [NAV Rs.3141990 (P.Y.Rs. 2780460)]	0.27	0.27
10000 [P.Y. Nil] Units of PNB Long Term Equity Fund of Rs.10/- each [NAV Rs.989000 (P.Y.Rs. Nil)]	0.10	0.00
UNQUOTED (EQUITY SHARES)		
10000 [P.Y. 10000] Equity shares of Kalapur Com. Co-Op. Bank Ltd. of Rs 25/- each fully paid up.	0.02	0.02
IN OTHERS		
2083580 [P.Y. 2083580] Equity Shares of Royale Exports Ltd, Sri Lanka each of Rs. 10/- of Sri Lankan Rupees	0.98	0.98
689490 [P.Y.689490] Equity shares of Jupiter Corporate Services Ltd. of Rs. 10/- each fully paid up.	3.40	3.44
GOVERNMENT SECURITY		
National Saving Certificates	0.02	0.02
[Lodged with Sales tax & Other Government authorities]		
	8.58	6.31
AGGREGATE COST OF QUOTED INVESTMENTS (in Rs.)	35519417	13360867
AGGREGATE COST OF MUTUAL FUND (in Rs.)	6200000	5200000
MARKET VALUE OF QUOTED INVESTMENTS (in Rs.)	48429919	19985756
NAV OF MUTUAL FUND (in Rs.)	6890990	5320460
AGGREGATE COST OF UNQUOTED INVESTMENTS (in Rs.)	44087863	44575459
SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES		
(A) Current Assets		
1 Inventories (As taken, Valued & Certified by the management)		
Finished Goods	98.82	69.35
Work in Process	3.30	2.13
Raw Materials	104.30	148.77
Packing Materials	2.76	1.55
Stores & Spares,Coal,Diesel,Furnace Oil	7.89	5.35
	217.07	227.15
2 Sundry Debtors (Unsecured,Considered Good)		
Outstanding for a period exceeding six months	0.02	0.00
Others	67.17	69.85
	67.19	69.85
3 Cash & Bank Balances		
Cash on Hand	0.83	0.33
Balance with Banks		
With Scheduled Banks		
(a) in Current accounts	1.20	3.80
(b) in Fixed Deposit accounts (with Bank as Lien as margin money for line of credit)	11.94	1.25
(c) Lien Free Fixed Deposit accounts	0.60	0.00
With Other Banks		
(a) on Current accounts Includes balances with	0.58	0.15
(a) Shri Kadi Nagrik Sahakari Bank Ltd [Rs.19893 (P.Y.Rs. 23279)] [Maximum balance outstanding during the year Rs.23279 (P.Y.Rs.24359)]		
(b) The Akola Janta Comm.Co.Op.Bank Ltd [Rs. 5747729(P.Y.Rs.1470622)] [Maximum balance outstanding during the year Rs. 7055070 (P.Y. Rs.1493901)]		
	15.15	5.53
4 Loans & Advances (Unsecured,Considered Good)		
Advances recoverable in cash or in kind or for value to be received	7.29	0.51
Advances for Goods & Expenses	1.04	0.80
Excise Balances	1.81	1.26
Tax Balances: Current Tax - (Advance Tax Less Provisions)	0.00	0.10
	10.14	2.67
SCHEDULE "H" CURRENT LIABILITIES		
Creditors for Capital goods	3.90	1.09
Creditors for Goods & Expenses & other Liabilities	29.62	7.92
Bank Overdraft as per Books	0.09	0.00
Suppliers Bills Discounted	0.00	2.66
Unclaimed Dividend (Not due for transfer to I.E & P Fund)	1.00	0.74
	34.61	12.41
SCHEDULE "I" PROVISIONS		
Proposed Dividend	5.87	3.81
[Including Dividend Distribution Tax Rs.85.24 Lacs (P.Y Rs.46.89 Lacs)]		
Tax Balances: Current Tax - (Provisions Less Advance Tax)	2.32	2.09
Provision for Retirement Benefits		
Gratuity	0.22	1.89
Leave Encashment	0.54	0.50
	8.95	8.29

SCHEDULE "E" FIXED ASSETS

Rs. in Crores

SR No.	PARTICULARS	Gross Block				Depreciation				Net Block	
		As at 01.04.2006	Additions During the year	Deductions During the year	Total as at 31.03.2007	As at 01.04.2006	For the year	Deductions during the year	Total as at 31.03.2007	As at 31.03.2007	As at 31.03.2006
1	Free Hold Land	3.04	0.05	0.35	2.74	0.00	0.00	0.00	0.00	2.74	3.04
	Lease Hold Land	0.64	0.20	0.00	0.84	0.00	0.00	0.00	0.00	0.84	0.64
2	Factory Building	54.96	0.62	1.86	53.72	17.78	1.80	1.86	17.72	36.00	37.18
3	Non-Factory Building & Colony	7.76	3.64	0.03	11.37	1.60	0.13	0.03	1.70	9.67	6.16
4	Plant & Machinery	227.89	12.90	2.02	238.77	94.82	17.92	1.80	110.94	127.83	133.07
5	Wind Mill	16.58	15.23	0.00	31.81	0.17	1.30	0.00	1.47	30.34	16.41
6	Electric Supply System	8.11	0.76	0.17	8.70	4.70	0.68	0.17	5.21	3.49	3.41
7	Vehicles	3.10	0.98	0.11	3.97	1.55	0.28	0.06	1.77	2.20	1.55
8	Furniture & Fixtures	1.85	0.10	0.02	1.93	1.24	0.12	0.02	1.34	0.59	0.61
9	Office Equipments	2.58	0.93	0.04	3.47	1.12	0.26	0.05	1.33	2.14	1.46
10	D.G.Set	26.22	2.79	1.27	27.74	12.27	2.33	0.36	14.24	13.50	13.95
11	Temple	0.24	0.00	0.00	0.24	0.03	0.00	0.00	0.03	0.21	0.21
12	Factory Road	1.01	0.36	0.00	1.37	0.06	0.02	0.00	0.08	1.29	0.95
13	Effluent Treatment Plant	1.10	3.70	0.00	4.80	0.80	0.21	0.00	1.01	3.79	0.30
14	Trade Mark	0.50	0.00	0.00	0.50	0.30	0.05	0.00	0.35	0.15	0.20
	TOTAL	355.58	42.26	5.87	391.97	136.44	25.10	4.35	157.19	234.78	219.14
	CAPITAL WORK IN PROGRESS	0.28	27.17	8.08	19.37	0.00	0.00	0.00	0.00	19.37	0.28
	CAPITAL ADVANCE	0.00	8.33	0.00	8.33	0.00	0.00	0.00	0.00	8.33	0.00
	TOTAL	355.86	77.76	13.95	419.67	136.44	25.10	4.35	157.19	262.48	219.42
	Previous year	286.88	74.55	5.57	355.86	115.89	23.77	3.22	136.44	219.42	170.99

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	YR. ENDED 31.03.2007	YR. ENDED 31.03.2006
SCHEDULE "J" SALES		
Export Sales [FOB Value Rs. 5243949507/- (P.Y.Rs 4104753275/-)]	551.65	432.79
Domestic Sales	872.21	877.51
	1423.86	1310.30
SCHEDULE "K" OTHER INCOME		
Dividend (Gross) [TDS Rs.Nil (P.Y. Rs. Nil)]	0.04	0.03
Miscellaneous Income	0.04	0.10
Profit on Sale of Investments [Net]	0.48	0.37
Profit on Sale of Assets (Net)	0.53	0.00
	1.09	0.50
SCHEDULE "L" COST OF GOODS SOLD		
Opening Stock		
Raw Materials	148.77	74.24
Work-in-Process	2.13	1.87
Finished Goods	69.35	46.25
Packing Material	1.55	0.89
Add : Material Purchased / acquired	1124.14	1186.59
	1345.94	1309.84
Less : Sale of Raw Materials	2.58	3.01
Less : Closing Stock		
Raw Material	104.30	148.77
Work-in-Process	3.30	2.13
Finished Goods	98.82	69.35
Packing Material	2.76	1.55
	209.18	221.80
Total Cost of Goods Sold	1134.18	1085.03
SCHEDULE "M" MANUFACTURING EXPENDITURE		
Stores & Spares Consumed	6.51	7.07
Power,Electricity,Diesel,LDO & Fuel Expenses	35.30	27.82
Coal ,Castor DOC & Fuel Consumed	16.93	15.21
Repairs : Plant & Machinery	1.23	1.00
Building	0.92	0.54
Others	0.54	0.24
Insurance [Net of Claims]	0.50	0.89
Other Manufacturing Expenses	6.12	5.75
	68.05	58.52
SCHEDULE "N" EMPLOYEES COST		
Salary,Wages & Bonus	20.28	18.78
Gratuity	0.40	0.52
Leave Encashment	0.17	0.20
Contribution to Provident Fund & Other Funds	1.15	0.98
	22.00	20.48
SCHEDULE "O" ADMINISTRATIVE EXPENSES		
Conveyance & Travelling Expenses [Including Directors Travelling Rs6292585/- (P.Y.Rs 4269512/-)]	1.73	0.87
Electric Expenses	0.43	0.39
Vehicle Maintenance Expenses	1.01	0.73
Insurance Expenses	0.37	0.62
Printing,Stationery,Postage & Telephone	1.52	1.44
Legal & Professional Expenses	1.38	1.19
Rent	0.45	0.17
Rates & Taxes	0.10	0.16
Donations	0.05	0.11
Payment to Auditors		
For Audit	0.09	0.09
For Tax Audit	0.02	0.02
For Others	0.01	0.03
General Administrative Charges	3.37	2.31
	10.53	8.13

	YR. ENDED 31.03.2007	YR. ENDED 31.03.2006
SCHEDULE "P" SALES EXPENSES		
For Domestic Sales		
Local Sales Expenses	14.09	6.22
Commission & Brokerage	0.57	1.17
	14.66	7.39
For Export Sales		
Exports Sales Expenses	59.50	48.01
Commission & Brokerage	0.64	(-0.14)
Insurance	0.01	0.01
	60.15	47.88
	74.81	55.27
SCHEDULE "Q" FINANCE & OTHER CHARGES		
Interest on Fixed Loans	0.21	0.08
Interest on Working Capital Loans	6.69	5.07
Interest on Others	0.01	0.04
Bank and Other Financial Charges	3.02	7.03
Swapping , Forex & Other Expenses	0.11	0.11
	10.04	12.33
LESS : INCOME		
Interest on Bank Deposits (Gross)	0.79	4.71
[TDS Rs. 1693438 (P.Y.TDS Rs. 10483964)]		
Interest on Others (Gross) [TDS Rs. 103373 (P.Y.TDS Rs. 22792)]	0.30	0.11
Foreign Exchange Fluctuation (Net)	0.03	0.00
	1.12	4.82
Net Expenditure	8.92	7.51

SCHEDULE "R" NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Significant Accounting Policies

- 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.
- Principles of consolidation**
The consolidated financial statements relate to Gujarat Ambuja Exports Ltd. ("the Company"), and its wholly owned Subsidiary Company, Gujarat Ambuja International Pte Ltd. (GA IPL). 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.
- The Subsidiary Company considered in the consolidated financial statements is**

Name of the Company	Country of Incorporation	% Voting power held as at 31st March,2007	Reporting Date
Gujarat Ambuja International Pte Ltd	Singapore	100%	31.03.2007

Note: There is no change in above details since the reporting date 31.03.2007.
- Exchange adjustments:**In case of GA IPL, the wholly owned subsidiary, the summarized revenue and expenses reflected in profit & loss account have been translated into Indian Rupees at an average exchange rate. The Assets and liabilities have been translated into Indian Rupees at the closing exchange rate prevailing on balance sheet date. The resultant excess/ shortfall, arising out of elimination process in consolidation has been disclosed as exchange rate difference in reserves/surplus.
- 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.



GUJARAT AMBUJA EXPORTS LIMITED

SCHEDULE "S" Notes forming part of Accounts

(Rs in Crores)

1. Contingent liabilities not provided for in respect of

PARTICULARS	2006-07	2005-06
(a) Claims against the Company /disputed liabilities not acknowledge as debts	6.99	6.54
(b) Disputed Income Tax, Excise, Sales Tax, Motor Spirit Tax, Income Tax claims	21.46	13.81
(c) Estimated Amount of Contract Pending execution on Capital Account [Net of Advances of Rs. 7.26 Crores (P.Y.Rs. 0.99 Crores)]	43.14	1.46
(d) Letter of Credit & Bank Guarantee [Net of Margin Money Rs. 10.22 Crores (P.Y.Rs. 58.17 Crores) & discharged since then]	25.27	11.77
(e) Corporate guarantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte.Ltd	12.93	13.34
	(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 2007	As at 31st March 2006
Deferred tax liabilities		
(i) Depreciation	49.78	36.40
(ii) Other Provisions	0.00	0.00
Total	49.78	36.40
Deferred tax Assets		
(i) Provisions - 43 B items	0.10	0.80
(ii) Unabsorbed Depreciation/Loss	0.00	0.00
Total	0.10	0.80
Net Deferred tax liability	49.68	35.60

3. Sales includes realised gain of exchange of forward exchange contracts entered into primarily for hedging purpose Rs. 7.15 Crores (net) [P.Y.Rs. 4.62 Crores (net)]

4. a) 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 owed to such undertakings.

b) Based on information available with the company, there are no supplier who are registered as Micro, Small or Medium Enterprise under "Micro, Small and Medium Enterprise Development Act, 2006" as at March 31st, 2007.

8. Segment Information for the year ended 31st March 2007

	2006-07						2005-06					
	Cotton Yarn	Maize Processing	Agro Processing	Wind Mill	Elimination	Total	Cotton Yarn	Maize Processing	Agro Processing	Wind Mill	Elimination	Total
(A) Revenue												
External Sales	169.90	123.49	1114.71	4.25	0.00	1412.35	131.41	99.13	1085.16	0.50	0.00	1316.20
Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Revenue	169.90	123.49	1114.71	4.25	0.00	1412.35	131.41	99.13	1085.16	0.50	0.00	1316.20
(B) Result : (Profit before Interest & tax)												
Segment Result	16.02	20.43	43.72	2.89	0.00	83.06	12.75	11.02	34.03	0.34	0.00	58.14
Less: Unallocated Corporate Expenses						(-5.34)						(-5.05)
Add: Unallocated Corporate Income						1.05						0.40
Operating Profit						78.77						53.49
Interest Expenses						(-8.92)						(-7.51)
Interest /Dividend Income						0.00						0.00
Current Tax (Dr.)						(-9.24)						(-4.54)
Deferred Tax (Dr.)						(-14.08)						(-10.62)
Add: Excess Provision of Earlier Years written back						0.47						(-0.15)
Fringe Benefit Tax						(-0.22)						
Net Profit						46.78						30.67
(C) Other Information												
Segment Assets	157.90	68.71	314.87	30.56	0.00	572.04	132.10	13.31	362.70	16.41	0.00	524.52
Unallocated Corporate Assets	0.00	0.00	0.00	0.00	8.58	8.58	0.00	0.00	0.00	0.00	6.41	6.41
Total Assets	157.90	68.71	314.86	30.56	8.58	580.61	132.10	13.31	362.69	16.41	6.41	530.93
Segment Liabilities	101.00	3.65	115.88	3.51	0.00	224.04	12.42	2.30	213.94	1.09	0.00	229.75
Unallocated Corporate Liabilities					52.99	52.99					38.43	38.43
Total Liabilities	101.00	3.65	115.88	3.51	52.99	277.03	12.42	2.30	213.95	1.09	38.43	268.18
Net Assets	56.90	65.06	198.99	27.05	(-44.41)	303.59	119.68	11.01	148.74	15.32	(-32.02)	262.75
Capital Expenditure	13.21	4.86	2.90	15.43	0.00	36.40	38.20	5.06	9.00	16.58	0.00	68.84
(Net) Capitalised Depreciation	15.08	5.02	3.70	1.30	0.00	25.10	11.23	3.95	8.42	0.17	0.00	23.77
Non cash Expenses other than depreciation/amortisation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

9. Related Party Disclosure

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

(a) Name of Related Parties & Relationship

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

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

(A) Foreign Exchange Exposure Hedged

Nature of Instrument	Currency	Purchase / Sale	March 31, 2007 (Amt.)	March 31, 2006 (Amt.)
A Forward Contracts	USD	SALE	136.01	82.37
B Option Contracts				
1. BUY / PUT OR	USD	SALE	68.98	35.60
SELL (CALL)	USD	SALE	78.62	62.25
2. BUY CALL OR	USD	PURCHASE	30.44	0.00
BUY CALL OR	USD	PURCHASE	32.90	0.00
SELL CALL	CHF	SALE	32.90	0.00
3. USD PUT CHF CALL OR	CHF	SALE	52.45	31.05
CHF PUT USD CALL	CHF	SALE	52.45	31.05
4. Receivable	USD	SALE	41.66	17.01
	EURO	SALE	0.32	0.00

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

(B) Exposure not hedged

Payable	Currency	March 31, 2007 (Amt.)	March 31, 2006 (Amt.)
	USD	20.96	45.25
	CHF	0.00	13.78
	EURO	7.05	5.78
	DKK	0.00	2.80
LC Opened Liability (Goods to be Received)	USD	13.04	12.08
	EURO	1.61	0.55
	CHF	0.73	0.00

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

6. Borrowing costs capitalised during the year: Rs.3.43 Crores (P.Y. Rs. 1.79 Crores)

7. Earning per Share (EPS)

PARTICULARS	2006-07	2005-06
Net profit as per Profit & Loss Account	46.78	30.67
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.)	3.358	2.201

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 : 28th JULY, 2007

For and on behalf of the Board of Directors

VIJAYKUMAR GUPTA (CHAIRMAN & MANAGING DIRECTOR)

MANISH V.GUPTA (MANAGING DIRECTOR)

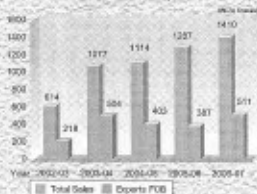
KAUSHIK C.KHONA (CHIEF FINANCIAL OFFICER & COMPANY SECRETARY)

PLACE : AHMEDABAD

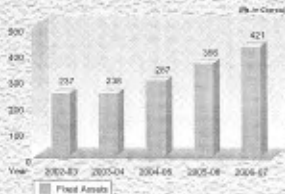
Date : 28th JULY, 2007

Last 5 Years Performance

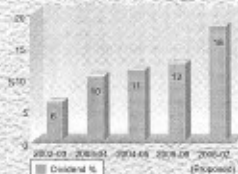
Total Turnover & Exports Within



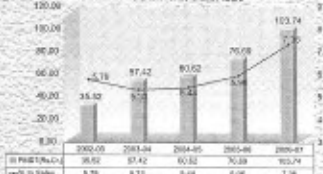
Fixed Assets



Dividend %



PROFIT & % TO SALES



Suprajit Andhra Exports Limited
 Regd. Office: "Noida Tower" Durgam Cheruvu Five Stages, Hyderabad,
 P.O. Narayan, Annamalai-500 014.
 (INCORPORATED IN INDIA)

Publicity SPIC & Director _____, is a Director of _____ of the above named Company having address _____ at _____ in the district of _____ in the State of _____.

I hereby certify that the above information is true and correct as per the records of the Company dated on or before **Tuesday, 27th September, 2007** at TIRUPATI, SRIKALA COLLEGE ROAD, NARAYANAPETA, East Godavari District, Annamalai-500006, Andhra Pradesh.

Signature _____ by M/ _____ 2007

Remove stamp
No. line
to client

Note: 1. THE PROFIT FORM MUST BE LOGGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 15 WORKING DAYS BEFORE THE TIME OF COMMENCEMENT OF THE ANNUAL MEETING.
 2. THE FORMS SHOULD BE FORTH COMING TO COMPANY FOR PERFORMING SOME LIFE REGARD SPECIFIC TO THE COMPANY.
 3. A FRESH RECEIPT BE A MUST.

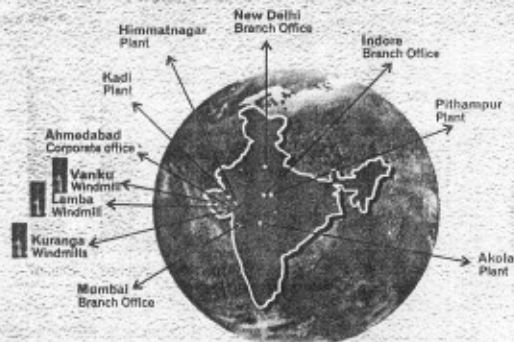
For Office use Only: _____ Date of Receipt: _____/_____/2007.

Suprajit Andhra Exports Limited
 Regd. Office: "Noida Tower" Durgam Cheruvu Five Stages, Hyderabad,
 P.O. Narayan, Annamalai-500 014.

ATTENDANCE SLIP
WITH ANNUAL GENERAL MEETING, TIRUPATI ON THE 27th SEPTEMBER, 2007

Name: _____ (Sign) _____ (Sign)
 Title: _____
 File No. CP-# & Del ID: _____
 Name of Meeting / Place: _____
 Place to which: Name: _____, Dist: _____, Pin: _____
 Director's or Proxy's Signature: _____

- Notes:**
1. Members/Proxy must bring the admission slip duly completed and signed and hand over the same to the office.
 2. Admission receipt should be returned and valid proxy/letter only. Please bring your size of the Annual Report.
 3. Shareholders attending to discuss/submit about accounts, to be explained at the meeting, an application to the Company should be filed in advance at least 15 days before the meeting. The same holding form may be made available. If the Chairman permits such information to be furnished.



CORPORATE OFFICE :

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"Ambuja Tower", Opp. Memnagar Fire Station, Post Navjivan,
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Phone: + 91 79 26405535 - 37, 39 Fax: +91 79 26423079.

E-mail: info@ambujagroup.com Visit us at: www.ambujagroup.com

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E-mail: bby@ambujagroup.com

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E-mail: ndel@ambujagroup.com

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Indore - 452 001 Phone: + 91 731 4040225, 26, 27 Fax: + 91 731 2436477
E-mail: indore@ambujagroup.com

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Phone: + 91 2772 226252 - 54
Fax: + 91 2772 226250
E-mail: cotspln@ambujagroup.com

SOYA PROCESSING UNIT

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

MAIZE PROCESSING UNIT

1, Vrindavan Road, Village - Dajpur,
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Fax: + 91 2772 226252
E-mail: corn@ambujagroup.com

**SOLVENT EXTRACTION, REFINERY,
WHEAT FLOUR, CATTLE FEED UNITS
KADI COMPLEX,**

Kadi-Thore Road, Kadi, Dist. Mehsana, Gujarat.
Phone: + 91 2764 264013-17
Fax: + 91 2764 264012
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

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E-mail: intl@ambujagroup.com

Vietnam Office :

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Hanoi, Vietnam
Tel: +84 4577 1711
Fax: +84 4577 1720

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.