



**GUJARAT AMBUJA EXPORTS LIMITED**  
**AHMEDABAD, INDIA**

*Committed to Growth*



**17<sup>th</sup> ANNUAL REPORT 2007-2008**

# ANNUAL REPORT 2007-2008

Regd. Office: "Ambuja Tower", Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad-380 014  
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## 17<sup>th</sup> ANNUAL REPORT

### BOARD OF DIRECTORS

Mr. Vijay Kumar Gupta, Chairman & Managing Director  
 Mr. Manish V Gupta, Managing Director  
 Mr. Parshotam G. Mahija, Executive Director  
 Mrs. Sulochana V Gupta  
 Mr. Jagdish Sharan Varshneya  
 Mr. Chaitan M Nanjar  
 Mr. Prakash G Ramakrishani  
 Mr. Ashok C Ganchi  
 Mr. Sandeep N Agrawal  
 Mr. Rohit J Patel  
 Mr. Mohit V Gupta  
**Vice President (Finance & Accounts)**  
 Mr. N Giridhar (w.e.f. 04.07.2008)  
**Company Secretary**  
 Mr. Sanjay S Nanjar (w.e.f. 25.01.2008)

### AUDITORS

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

### BANKERS

1. Bank of India
2. Punjab National Bank
3. Union Bank of India
4. HDFC Bank Limited
5. State Bank of Mysore

### SHARE TRANSFER AGENT (PHYSICAL & ELECTRONIC FORM)

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% ECU Cotton Spinning Division W/Dalpur, Dist. Sabarkantha, Gujarat	12	Maize Processing Unit Plot C-50, ELDECO, SIDCUL Industrial Park, Sitarganj, Dist. Ujjain Singh Nagar, Uttarakhnad
2	Bio-Chemical Division (Maize Processing) W/Dalpur, Dist. Sabarkantha, Gujarat	13	Wind Mills (Gujarat)
3	Edible Oil Refineries & Vanaspathi Ghee Unit Kadi, Dist. Mehsana, Gujarat	a.	B-87, R S No. 471/P, Village Lamba, Taluka Kalyanpur, Dist. Jamnagar.
4	Solvent Extraction Unit-I Nani Kadi, Dist. Mehsana, Gujarat	b.	WTG No. 1, Machine No. 1, Survey No. 400, Village Kuranga, Taluka Dwarka, Dist. Jamnagar.
5	Solvent Extraction Unit-II Kadi, Dist. Mehsana, Gujarat	c.	WTG No. 2, Machine No. 2, Survey No. 400, Village Kuranga, Taluka Dwarka, Dist. Jamnagar.
6	Solvent Extraction Unit-III Kadi, Dist. Mehsana, Gujarat	d.	WTG No. 3, Machine No. 6, Survey No. 400, Village Kuranga, Taluka Dwarka, Dist. Jamnagar.
7	Solvent Extraction Unit-IV Pihampur, Dist. Dhar (M.P.)	e.	Survey No. 213/2, Village: Satapur, Tal: Kalyanpur, Dist. Jamnagar
8	Solvent Extraction Unit- V N.H. No. 1, 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		
11	Wheat Processing Unit Pihampur, Dist. Dhar (M.P.)		

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### SCHEDULE OF ANNUAL GENERAL MEETING

**Day** : Monday **Date** : 29<sup>th</sup> September, 2008 **Time** : 10.00 a.m.  
**Venue** : GICEA (Gajjar Hall), Nimnan 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 unclaimed 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 G&EL 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 death/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 is providing electronic clearing system (ECS) facility to the members whereby members can receive their dividend by way of electronic credit directly to their bank account. The members may send their request in details to the Company and for format of ECS may write to the Company.
7. Members holding shares in physical form and desirous of making application 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.
8. **DEMATERIALISATION:**
  1. Members are requested to note that the shares of the Company are under compulsory demat from 24.07.2008. Members are further requested to note that the Company has entered into agreements with NSDL & CDSL and scrip of the company has been activated for dematerialisation on 27.06.2000 & 23.02.2000 respectively. The new ISIN No. INE038B01022 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 29<sup>th</sup> September, 2008, 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' shares are requested to address all correspondence to M/s. Jupiter Corporate Services Limited and/or to the Company only.

##### C. 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 18<sup>th</sup> January, 2008.
2. The members are further requested to note that shareholders who are holding equity shares of Rs.10/- each of the Company in physical form and if not yet exchanged, are required to get the same exchanged with sub-divided Equity Shares of Rs. 2/- each. The members are requested to send the old equity shares of Rs.10/- each at Registered Office of the Company for exchange.
3. **D. FOR ATTENTION OF MEMBERS OF ERSTWHILE GUJARAT AMBUJA FOODS LTD. (G&EL) (ALSO KNOWN AS GUJARAT AMBUJA STEEL LTD & AMBUJA FOODS LTD) AND GUJARAT AMBUJA PROTEINS LIMITED (G&PL) (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 G&EL in exchange. Kindly note that without getting the shares of G&EL 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 G&EL = 1 equity share of G&EL
  3. For every 5 equity shares of G&PL = 1 equity share of G&EL
  3. Members are further requested to note that they will be issued shares of G&EL in proportion to shares of G&PL and/or G&EL 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 Foods Ltd. In case of G&PL, also send part-B of the debenture certificates for which shares in exchange have not yet been claimed.
4. **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 G&EL in exchange. Kindly note that without getting the shares of G&EL 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 G&EL
  3. Members are further requested to note that they will be issued shares of G&EL 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 ?**



## GUJARAT AMBUJA EXPORTS LIMITED

### Directors' Report and Management Discussion

To,  
The Members,  
Gujarat Ambuja Exports Limited.

We have pleasure in presenting our 17<sup>th</sup> Annual Report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2008.

#### FINANCIAL HIGHLIGHTS

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

PARTICULARS	2007-08	2006-2007
<b>NET TOTAL TURNOVER</b>	<b>1829.09</b>	1400.24
(INCLUDING EXPORTS - FOB VALUE)	<b>892.19</b>	510.97
<b>PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES</b>	<b>156.19</b>	103.03
LESS :		
INTEREST & FINANCE CHARGES	15.22	8.11
DEPRECIATION	31.46	25.10
PRO. FOR TAXATION (INCL.DEFERED TAX)	38.26	23.07
<b>NET PROFIT FOR THE YEAR</b>	<b>71.25</b>	46.75
ADD: BAL. OF PROFIT CARRIED FORWARD	124.78	89.89
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>196.03</b>	136.64
<b>APPROPRIATED AS UNDER</b>		
INTERIM DIVIDEND 20% P.A.(PAID)(P.Y. NIL)	5.53	Nil
DIVIDEND DISTRIBUTION TAX ON INTERIM DIV.	0.94	Nil
FINAL PROPOSED DIVIDEND 20% P.A.(P.Y.18%P.A)	5.53	5.01
PROVISION FOR DIVIDEND DISTRIBUTION TAX	0.94	0.85
TRANSFER TO CAPITAL REDEMPTION RESERVE	0.19	Nil
TRANSFER TO GENERAL RESERVE	7.50	6.00
<b>TOTAL APPROPRIATION</b>	<b>20.63</b>	11.87
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>175.40</b>	124.78

#### DIVIDEND

Considering improved performance and profits, the Board of Directors had declared interim dividend @20% p.a. for F.Y. 2007-08 at its meeting held on 22<sup>nd</sup> January, 2008 and the same had been paid to eligible members and/or beneficial owners. The Board of Directors has also recommended final dividend of 20% p.a. for F.Y. 2007-08, subject to approval of members at this Annual General Meeting. Thus, during the F.Y. 2007-08 total dividend payout will be 40% p.a., including interim dividend paid, against 18% p.a. paid for previous financial year.

The total cash outflow for interim dividend was Rs. 647.46 lacs (including dividend distribution tax of Rs. 94.05 lacs) and for final dividend it would be Rs. 647.46 lacs (including Rs.94.05 lacs of dividend distribution tax) as against cash outflow of Rs. 586.78 lacs (including Rs. 85.24 lacs of dividend distribution tax) paid last year.

The final dividend will be paid to the members whose names appear on the register of members on 29<sup>th</sup> September, 2008 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 16<sup>th</sup> 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 was 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 16<sup>th</sup> April, 2007 and closed on January 15, 2008.

Under the said buy-back scheme, the Company bought back and extinguished 9,66,615 Equity Shares of Rs.2/- each which were bought back at an average price of Rs. 34.26 per equity share aggregating to Rs. 3,31,17,043/- 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 13,83,51,875 Equity Shares of Rs.2/- each aggregating to Rs.27,67,03,750/-.

#### PERFORMANCE REVIEW FOR THE YEAR 2007-08

In the Financial Year 2007-08, the company has achieved better results. The earning before interest, depreciation, and tax (EBIDTA) jumped from Rs.103.03 crores in F.Y. 2006-07 to Rs.156.19 crores in F. Y. 2007-08. The EBIDTA has registered growth of about 52%.

The top line of the company has improved considerably from a level of Rs.1400.24 crores to Rs.1829.09 crores. Revenue growth is about 30% in F.Y. 2007-08. The export sales of the company have registered growth of about 75% in F. Y. 2007-08. The company has achieved the export sales of Rs. 892.19 crores in F. Y. 2007-08, which is higher by Rs.381.22 crores than the export sales for previous year.

The profit after tax and corresponding EPS has also improved significantly and registered growth of 52% during the last financial year.

All the segments of the company have performed well. The operations in Agro Processing segment has improved substantially while the maize processing and cotton yarn segment maintained their operational level. The returns from windmill segment is dependent on carbon credit approval.

#### A. Capital Projects for the year 2007-08

The Board of Directors is glad to inform that Maize Processing plant at Uttarakhand has begun its commercial production from 27.03.2008. In the first quarter of the current financial year, the unit has achieved more than 50% of capacity utilization and expects to contribute to the growth of the company in the current financial year. The unit has benefit of various incentives of Central Government in the form of Excise & Income-tax exemptions. Ministry of Food Processing Industry has also approved the project for capital subsidy of Rs.75 lacs in March, 2008. The unit has also set up Biogas based captive power generation plant from liquid industrial waste.

The company has also upgraded its machinery in other segments.

#### B. OPERATIONAL PERFORMANCE

##### Agro Processing Division

The Company's Agro-processing Division comprises of Solvent Extraction of Edible Oil Seeds, Edible Oil Refining, Wheat Processing and Cattle Feed manufacturing. All segments of this Division performed substantially well in the F. Y. 2007-08 and achieved better capacity utilization. The Company has registered highest crushing of edible oilseed, which helped to achieve the growth in export performance. This division has significantly contributed to the revenue growth of the company. The margin in this segment also improved due to improvement in the realisation of various finished goods.

##### Cotton Yarn Division

Soaring domestic cotton prices have hit the textile sector this year with mills struggling to achieve a breakeven. High cotton prices, high fuel prices and sluggish garment demand in global market adversely affected textile industry during 2007-08. However, the cotton yarn division maintained its capacity utilization and operating efficiencies during the year.

##### Maize processing division

The Maize processing division witnessed unprecedented rise in raw material cost due to increased demand for use of starch in bio-fuel in European countries, increase of starch and its derivatives in various food applications and acceptance as health and wellness product. Increase in overall manufacturing capacity, considering the growth potential in the industry, has also made the margin to shrink.

The maize-processing segment managed to maintain its performance during F.Y. 2007-08 on par with that of previous year. With the commissioning of Uttarakhand project this segment has increased its processing capacity.

#### Windmills

The company has 7 wind turbines with total installed capacity of 6.95 MW. The return from investment in wind energy is dependent on carbon credit approval. All the turbines have performed satisfactorily in the F. Y. 2007-08.

#### Over all Analysis

The performance of the company for the year 2007-08 has improved significantly compared to that of last year. The company registered growth in the top line and other financial parameters. The company has developed different product mix in the year 2007-08 to improve its realization. The company has also put in efforts for quality consciousness and due to this, the company hopes to expand its market base in domestic as well as international market in coming years.

#### OUTLOOK FOR THE YEAR 2008-09

In the F. Y. 2007-08, the industry in general faced number of adverse factors. These are in the form of higher input cost, rising fuel prices, appreciation in Indian rupee and other economic factors. Due to these factors, the cotton yarn and maize processing segments has not been able to maintain the pace with agro processing segment in F.Y.2007-08.

The F. Y. 2008-09 has begun with positive changes in economic factors affecting the cotton yarn segment of the company. The rupee has depreciated by more than 7% in the first quarter of current financial year compared to average rate of realization in F. Y. 2007-08. The cotton yarn prices have improved by about 15% in the first quarter of current financial year, which would improve the performance of this segment. The maize products prices have also moved upward in line with the increase in maize seed price. Barring unforeseen economic development, the outlook for the F. Y. 2008-09 is bright for the different segments of the company.

In the first quarter of the current financial year the top line of the company has risen from Rs.354 crores to Rs.438 crores with a growth of 24%. The EBITDA in the first quarter has also registered a growth of 37% as compared to that of corresponding period of previous year.

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

##### Corporate Governance

The Company complied 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

The economy of the country is passing through the difficult time at the moment. The growth in Indian economy has slowed down due to international recession, inflation and political uncertainties.

In spite of various factors, the economic growth in India is projected at about 8% in 2008-09. The agricultural and manufacturing sectors are expected to steady the Indian economy in spite of various negative factors. The foreign investments are likely to slow down in current financial year mainly due to the problems faced by the investing country rather than any negative outlook for Indian economy. However, this would not effect the growth estimation of Indian economy and the India would be able to maintain its growth pace without any major negative impacts.

##### India's performance in Agriculture

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's position in global agriculture is strengthened by the significantly large

contribution to the food grain output. The year 2007-08 was promising bumper year for Indian agriculture, with a host of crops clocking record output level. However, rupee appreciation coupled with rising crude oil prices has affected viability of exports of textile products.

#### Opportunities, Threats, risks and concerns

##### Opportunities

There are ample opportunities for business in agro processing sector. The agro products and food processing industry sector in India is one of the largest in terms of production, consumption, export and growth prospects. GAEL is one of the leading diversified agro processing company with established markets in India and overseas.

The Company has opportunities in the market mainly due to following:

1. Aptitude of the company to change product mix, constant endeavour to improve productivity, reduce cost, provide goods and services to the satisfaction of customers.
2. An established name and reputation for quality.
3. Significant presence in global markets.
4. Sizeable banking facilities.

##### Risks & Threats

Risks are integral part of any business. The level and types of risks depends/ varies from company to company, based on its growth strategy, expansion plans, types of industry and host of various other facts.

Some of the prominent risks faced by the company are ;

1. Government regulations and change in policies, regulations
2. Commodity specific risk
3. International trade agreements and alliances
4. Competition risk
5. International operations risk
6. Credit risk and foreign exchange exposure risk

At GAEL, the Company has risk management policy in place and pro-active action is taken at all levels of management to identify the probable risk, to ascertain gravity of risk and actions are initiated to reduce and mitigate identifiable risks. The Audit Committee and executive management of the Company supervise, monitor and make changes in the risk management policy of the company.

##### Internal Control System and their adequacy

The Company believes in formulating adequate and effective internal control system. This provides utilizing resource to the optimum level, safeguarding of assets, transactions are authorised, recorded and reported correctly, protection against unauthorized use and disposition of assets. We believe that internal control systems provide, among other things, a reasonable assurance that the transactions are executed with management authorization and they are recorded in all material respect to permit preparation of financial statements in conformity with established accounting practices. At GAEL, an effective internal audit function, independent of the external auditors, to review the effectiveness of risk management system is also in place. The internal control systems are supplemented by an extensive programme of internal audits and review by the management. The top management, Audit Committee and statutory auditors of the company are periodically appraised of the activities and internal audit findings and action taken reports. The Company also has budgetary control system and the management periodically reviews actual performance. To strengthen the internal control system and to make optimum utilization of resources, in the F.Y. 2007-08 the Company has also implemented SAP for its accounting operations and all units, branches, depots are linked. The project has already been implemented and has stabilized.

##### The Company

In the year 2007-08, the company has consolidated its financial position. The sales have registered growth of about 30%. The company has achieved the growth of 75% in export sales. The EBITDA margin of the company improved from 7.36% of F.Y. 2006-07 to 8.54% in the F.Y. 2007-08. Various profitability ratios have improved significantly in 2007-08. The company has made new investments of about Rs. 58 crores in fixed assets funded entirely from internal accruals. The achievement in the year 2007-08 is considered significant inspite of some adverse factors faced by the industry.



### **Segment wise Performance**

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

#### **Agro Processing Segment**

The Agro processing segment is engaged in solvent extraction from oilseed and refining of edible oil. The oil seed meal products under solvent extraction have achieved excellent performance. The oil seed crushing have registered the new high of more than 6.16 lacs MT. The edible oil segment has also managed its growth in 2007-08. For the edible oil products, the company has also focused more on consumer marketing over bulk marketing. The surge in selling price of oil meal and edible oil has helped to improve EBIDTA margin from 4% in 2006-07 to 8% in 2007-08.

The future of this segment is bright. The Government has encouraged this sector by way of different incentive schemes from time to time.

#### **Cotton Yarn Segment**

Company's Cotton Yarn segment is an 100% EOU. The unit produces combed and carded cotton yarn as well as open-end yarn. The combed & carded ring spinning at the count range of 16 to 40 and the Open End yarn of 4 to 6 counts. The segment has been able to expand its market base to about 40 countries across the globe. Although the sales have come down by about 10%, the company has been able to maintain the production at the same level as in the previous year. Amongst the different segments of the company this segment has the maximum impact of adverse factors like Rupee appreciation, raising cotton & fuel prices, and international recession. These have resulted in negative top line. The EBIDTA margin of the segment has also come down from around 18% in FY 2006-07 to around 7% in F.Y.2007-08. However as compared to performance of the textile industry in general, the textile segment of our company has performed above par.

The situation in current year is improving steadily. The yarn price has now adjusted with the input prices. The yarn prices have surged by around 15% in the first quarter itself. The government has also noted the potential of the textile industry and various promotional measures announced last year, are continued in current year also.

#### **Maize Processing Segment**

The company has 2 maize processing units, one at Village: Dalpur, Tal: Prantij, Gujarat and another one at Uttarkhand. The total maize crushing capacity is 800 MT per day. It has diversified products, which includes Maize Starch and other Maize by products. It also has value added derivatives like Dextrose Monohydrate, Malto Dextrin, Liquid Glucose and Sorbitol. The segment has good potential to be a major contributor in the future prospects of the company. Significantly, in the F. Y. 2007-08 this segment has also concentrated in export market. The jump in exports sales for this segment is more than 156% in F. Y. 2007-08 compared to last year. The segment was able to achieve EBIDTA margin of more than 12% in last financial year.

The future of this segment is very bright. The Uttarakhand plant would be serving the Northern India market of the segment. The plant is located in close proximity to large institutional buyers for the product of this segment. The segment is focusing on export market also. The Himatnagar plant being very close to major Ports in Gujarat would now be able to focus on international market.

#### **Windmill Division and contribution to environment friendly atmosphere**

To contribute to social cause of environment friendly company, 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 has been near to the projections. The carbon credit is vital part of the project and the company hopes to get recognition for the carbon credits at the earliest.

Further to our efforts for environment friendly practices, we have taken up projects and are finding avenues to generate power through renewable resources. Along with windmills, the Company has taken up capital incentive projects to switch to modern environment friendly ways of running processes in all the units. This will be an on going effort in future across all units.

### **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 substantial working capital facilities from the consortium of banks. The company has been assigned the highest rating for safety by CRISIL as per Basel-II norms.

##### **Term Loans**

In the Financial year 2007-08, the company has availed fresh Term Loan of Rs. 10 Lacs only. The company is repaying the installments regularly for term loan availed under Technology Up gradation Fund Scheme availed from Bank of India. The company is regular in repayment of installment for term loan availed from IREDA for its windmill projects.

##### **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 paid annual Listing fees due for the year 2008-2009 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, Mr. Jagdish Sharan Varshneya, Mr. Prakash G Ramrakhiani and Mr. Ashok C Gandhi, 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, re-appointment of Mr. Manish V Gupta as Managing Director for further period from 28th December, 2008 to 27th December, 2013 and appointment of Mr. Mohit V Gupta as Joint Managing Director from 1st August,2008 to 31st July,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, 2008 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, 2008 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-A to this report and forms part of this report.

**PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION**

The details of 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 pursuant to requirement of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is attached as Annexure-B to this report and forms part of this report.

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

**AUDITORS AND AUDITORS' REPORT**

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

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

**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.

For and on behalf of the Board of Directors

Place: Ahmedabad  
Date : July 29, 2008

Vijay Kumar Gupta  
Chairman & Managing Director

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

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

1. Financial year of the subsidiary ended on : 31.03.2008  
(Period 01.04.2007 to 31.03.2008)
2. The Company's interest in the Subsidiaries as on 31st March'2008
  - 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 31.03.2008
    - i) Not dealt within the books of Accounts of the Company **Profit (US \$) 45,908**
    - 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 \$) (-) 16,307**
    - ii) Dealt within the books of Accounts of the Company **Nil**

For and on behalf of the Board

PLACE : AHMEDABAD  
DATE : JULY 29, 2008

VIJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)  
MANISH GUPTA  
(MANAGING DIRECTOR)  
N. GIRIDHAR  
(V. P. FINANCE & ACCOUNTS)  
SANJAY S. MANIAR  
(COMPANY SECRETARY)

**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 31st March, 2008.

**CONSERVATION OF ENERGY**

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



# GUJARAT AMBUJA EXPORTS LIMITED

## FORM – “A”

## FORM B

Sr.	PARTICULARS	2007-2008	2006-2007
A)	<b>POWER AND FUEL CONSUMPTION :</b>		
1)	Electricity		
a)	Purchased :		
	Units(Includes units wheeled from windmills & cost at the Gross Bill Value)	27228289	22252927
	Total Amount (Rs.)	141659092	111539051
	Rate / Unit (Rs.)	5.20	5.01
b)	Own Generation		
i)	Through Diesel Generator		
	Units	292946	2622556
	Unit per Ltr of Diesel Oil	3.25	3.34
	Cost/Unit (Rs.)	8.50	7.62
ii)	Through Steam Turbine / generator		
	Units	11306733	12215553
	Unit per Kg. of Coal	0.31	0.29
	Cost/Unit (Rs.)	7.86	6.25
iii)	Through Furnace Oil Generator		
	Units	62287459	61736690
	Unit per Kg. of Furnace Oil	4.35	4.43
	Cost/Unit (Rs.)	4.76	3.57
iv)	Through Windmills		
	Units	10921438	8497331
	Total Amount (Rs.)	21051967	14592593
	Cost/Unit (Rs.)	1.93	1.72
2)	Coal (Used for Steam Generation)		
	Quantity (MT)	80197.000	41708.086
	Total Cost (Rs.)	187293182	92526880
	Average rate	2335.43	2218.44
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 :	2007-2008	2006-2007
	Agro Processing Unit	(Cost per Metric Ton of Production)	
1)	Electricity	271.14	174.41
2)	Coal	178.02	173.13
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	2123.31	1614.17
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	15.83	14.84
2)	Coal	N.A.	N.A.
3)	Furnace Oil	N.A.	N.A.
4)	Diesel	N.A.	N.A.
5)	Others	N.A.	N.A.

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

a)	<b>Research &amp; Development (R&amp;D)</b>		
i)	Specific areas in which R&D carried out by the Company		
	The Research & Development efforts of the Company are directed towards quality control, cost reduction and improvement of in house expertise.		
ii)	Benefits derived as a result of the above R&D		
	Benefits derived by the Company from its Research & Development activities are primary by way of improvements in product quality and cost effectiveness.		
iii)	Future plan of action		
	The company plans to continue its efforts on in-house R&D to improve cost efficiency & achieving competitive edge.		
iv)	Expenditure on R&D	2007-2008	2006-2007
	(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)	<b>Technology Absorption, Adaptation and Innovation</b>		
i)	Efforts, in brief made towards technology absorption, adaptation and innovation.		
	The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available.		
ii)	Benefits derived as a result of the above efforts :		
	The above efforts have improved the quality of the product. Besides it has also improved the productivity and reduced the wastages.		
iii)	Information regarding technology imported during last five years : Not Applicable		
c)	<b>Foreign Exchange earning/outgo</b>	2007-2008	2006-2007
	Foreign Exchange Earned :	RS.	RS.
	FOB Value of Sales (Including Warehouse Charges)	8921921898	5109676443
	Sales of Assets	Nil	Nil
		<u>8921921898</u>	<u>5109676443</u>
	Foreign Exchange Used		
	Capital Goods (CIF Value)	49296256	260780218
	Purchases (CIF Value)	2246844887	955384343
	RM,Stores & Consumables (CIF Value)	289437799	320125322
	Foreign Traveling, Interest, Bank Charges etc.	56732989	20555228
	Overseas Commission	13191067	187020
	Membership & Subscription	106509	567990
		<u>2655609507</u>	<u>1557600121</u>

## Annexure “B”

Information as per section 217(2A) of the Companies Act, 1956, read with Companies (particulars of employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2008.

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

Sr. No.	Name of the Employee	Designation	Qualification	Age (Years)	Joining Date	Experience (Years)	Gross Remuneration (Rs.)	Last Employment	Last Designation
1	Mr. Vijaykumar Gupta	Chairman and Managing Director	B. IS	58	18.04.1998 (As M.D.)	36	3,65,15,638	Erstwhile Gujarat Ambuja Cotspin Ltd.	Managing Director
2	Mr. Manish Gupta	Managing Director	B. Com	37	28.12.1998 (As M.D.)	17	3,65,15,638	Erstwhile Gujarat Ambuja Proteins Ltd.	Managing Director

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

**AUDITORS' 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 2008, 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 has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place : Ahmedabad  
Date : July 29, 2008

**FOR KANTILAL PATEL & CO.,**  
**Chartered Accountants**  
**Arpit K. Patel**  
**(Partner)**  
**Membership No. 34032**

**CORPORATE GOVERNANCE**

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

**1. Company's philosophy on code of Corporate Governance**

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

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

**2. Board of Directors**

During the year, the Board of Directors of the Company comprises of eleven (11) members. The Company has Executive Chairman and out of eleven (11) Directors on the Board, 8 (Eight) Directors (more than 50%) are Non-executive Directors and out of 8 (eight) Non-Executive Directors 6 (six) Directors (more than 50%) are independent Directors.

Thus, composition of the Board is in conformity with the provisions of the code.

**(A) The names and categories, inter personal relationship of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships in other companies and Committee memberships/chairmanships held by them as on 31.03.2008 are given below**

Name of Director	Category & Inter Personal relationship	Attendance Particulars		No. of Directorships and Committee membership/ chairmanship (as on 31.03.08)		
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships
Vijay Kumar Gupta	Executive Director & Promoter Husband of Mrs. Sulochana V. Gupta and father of Manish V Gupta and Mohit V. Gupta	5	Yes	20 (Incl: 18 Pvt. Ltd.)	1	Nil
Manish V Gupta	Executive Director & Promoter Son of Mr. Vijay Kumar Gupta & Mrs. Sulochana V. Gupta and brother of Mr. Mohit V. Gupta	5	Yes	9 (Incl: 4 Pvt. Ltd.)	Nil	Nil
Sulochana V Gupta	Non-Executive Director & Promoter Wife of Mr. Vijaykumar Gupta and mother of Mr. Manish V. Gupta and Mr. Mohit V. Gupta	5	No	16 (Incl: 14 Pvt. Ltd.)	Nil	1
Parshottam G Makhija	Executive Director & Non Independent Director Not related	4	Yes	1(Pvt.Ltd.)	Nil	Nil
Sandeep N Agrawal	Non-Executive & Independent Director Not related	5	No	None	2	Nil
Jagdish Sharan Varshneya	Non-Executive & Independent Director Not related	5	Yes	14 (Incl: 6 Pvt. Ltd.)	Nil	4
Chaitan M Maniar	Non-Executive & Independent Director Not related	5	Yes	16 (incl: 4 Pvt.Ltd.)	7	1
Prakash G Ramrakhiani	Non-Executive & Independent Director Not related	5	Yes	1 (Pvt. Ltd)	1	Nil
Ashok C Gandhi	Non-Executive & Independent Director Not related	5	Yes	9	9	Nil
Rohit J Patel	Non-Executive & Independent Director Not related	5	Yes	1	Nil	Nil
Mohit V Gupta	Non-Executive and Non Independent Director Son of Mr. Vijay Kumar Gupta and Mrs. Sulochana V. Gupta and brother of Mr. Manish V. Gupta	5	No	2 (Pvt. Ltd)	Nil	Nil

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

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

During the financial year 2007-08, 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	16.04.2007	4	24.10.2007
2	28.07.2007	5	22.01.2008
3	25.09.2007		

Intimation of the Board meetings and Committee meetings are given well in advance and communicated to the Directors. Normally, Board Meeting





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

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

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

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

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 2007-08, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors.

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

As required under Clause 49 IV(G)(i), particulars of Directors retiring by rotations and seeking reappointment are given in the Notes to the Notice of the Annual General Meeting to be held on 29th September,2008 whereas for re-appointment of Managing Director Mr.Manish V Gupta and appointment of Joint Managing Director Mr. Mohit V. Gupta , 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:

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

The composition of the Audit Committee is in line with the provisions of Clause 49 of the Listing Agreement and details of members, their category and number of meetings attended by them during the F.Y. 2007-08 are given below:

During the F.Y. 2007-08, 5 (five) meetings of the Audit Committee were held on 16.04.2007, 28.07.2007, 25.09.2007, 24.10.2007, 22.01.2008.

Name of Members	Category	No. of Meetings attended during F.Y. 2007-08
Mr. Jagdish Sharan Varshneya, Chairman	Independent, Non Executive Director	5
Mr. Sandeep N. Agrawal, Member	Independent, Non Executive Director	5
Mr. Ashok C Gandhi, Member	Independent, Non Executive Director	5

Mr. Jagdish Sharan Varshneya, Chairman of the Audit Committee was present at the Annual General Meeting held on 25th September,2007.

The Company secretary of the Company acts as the Secretary of the Committee as well as compliance officer of the Company. Audit Committee meetings are attended by Chief Financial Officer and/or Company Secretary, Representatives of Statutory Auditors and Managing Director as Invitee.

**4. Whistle Blower Policy**

The Company has adopted Whistle Blower Policy which was approved by the Audit Committee and Board of Directors of the Company at their respective meetings held on 22nd October, 2005. The said policy provides a formal mechanism for all employees of the Company to approach Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud and violation of the Company's

Code of Conduct and Business Ethics. Under the Policy, each employee of the Company has an assured access to the Chairman of the Audit Committee.

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

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

- Mr. Ashok C Gandhi : Chairman
- Mr. Sandeep N Agrawal : Member
- Mrs. Sulochana V Gupta : Member

During the F.Y. 2007-08, two (2) meetings of Remuneration Committee were held on 28.07.2007 and 25.09.2007. Both the meetings were attended by all the Committee members.

The Committee was reconstituted by inducting Mr. Rohit J Patel, Director as member of the Committee by circular resolution dated 21st July,2008. After reconstitution, the Remuneration Committee comprises of following members;

- Mr. Ashok C Gandhi : Chairman
- Mr. Sandeep N Agrawal : Member
- Mrs. Sulochana V Gupta : Member
- Mr. Rohit J Patel : Member

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 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 salary, allowances, commission and taxable value of perquisites) and sitting fees paid for attending meetings of Board of Directors and Committees thereof during the year 2007-08 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	34706278	Nil	36515638	3 months Nil
2	Manish V Gupta Managing Director	1809360	Nil	34706278	Nil	36515638	3 months Nil
3	Sulochana V Gupta	Nil	Nil	Nil	52500	52500	-----
4	Parshottam G Makhija Executive Director	1405233	Nil	Nil	Nil	1405233	3 months Nil
5	Sandeep N Agrawal	Nil	Nil	Nil	90000	90000	-----
6	Jagdish Sharan Varshneya	Nil	Nil	Nil	75000	75000	-----
7	Chaitan M Maniar	Nil	Nil	Nil	37500	37500	-----
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	37500	37500	-----
11	Mohit V Gupta	Nil	Nil	Nil	37500	37500	-----

**6. Board Sub-Committees for Shareholders**

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

The Company has constituted "Shareholders'/ Investors' Grievances Redressal Committee" on 30th March,2002 to specifically look into the redressal of Investors' complaint like transfer of shares, non- receipt of balance sheet and non-receipt of declared dividend etc.

To expedite the process and for effective resolution of grievances/ complaints, the Committee has delegated powers to the Share Transfer Agent/ Registrar and its officials to redress all complaints/ grievances / inquires of the

shareholders'/ Investors' who redress the grievances/ complaints of shareholders'/ Investors' under the supervision of Company Secretary and Compliance Officer of the Company.

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

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. 2007-08
Mrs. Sulochana V Gupta, Chairman	Promoter, Non-Independent, Non- Executive	31
Mr. Vijay Kumar Gupta, Member	Promoter, Non-Independent, Executive	31
Mr. Sandeep Agrawal, Member	Independent, Non Executive Director	31

**(b) Details of Complaints received and redressed during the year 2007-08**

Sr. No	Particulars	Opening Balance as on 1.4.2007	Received During the year	Redressed During the year	Pending as on 31.03.2008
1	Non-receipt of Dividend/ Interest, Revalidation etc.	Nil	81	81	Nil
2	Non receipt of Share Certificate etc.	Nil	92	92	Nil
3	Non receipt of Annual Report, Interest on delayed refund, dividend, interest	Nil	9	9	Nil
4	Others	Nil	8	8	Nil
	<b>Total</b>	<b>Nil</b>	<b>190</b>	<b>190</b>	<b>Nil</b>

**(c) Share Transfer Committee**

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

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

**(d) Appointment of Compliance Officer**

Mr. Kaushik C Khona, Chief Financial Officer and Company Secretary acted as Compliance officer of the Company till date of his resignation upto 25th January,2008. From 25th January,2008 Mr. Sanjay S Maniar, Company Secretary acted as compliance officer as per Clause 45(a) of the Listing Agreement entered into with Ahmedabad Stock Exchange.

**(e) Share Transfer Details**

The number of shares transferred / transmitted, split request entertained, duplicate shares issued, folio consolidation, demat and remat request approved during the last financial year 2007-08 as under.

Sr.No.	Particulars	No.of cases	No.of Shares involved (Rs. 2/- each)
1	Transfer	934	624010
2	Transmission	88	68930
3	Split	147	18282465
4	Duplicate	6	6100
5	Demat request approved-NSDL	1988	2241225
6	Demat request approved-CDSL	708	544995
7	Remat request approved-NSDL	Nil	Nil
8	Remat request approved-CDSL	Nil	Nil

As on 31st March,2008, out of the total 13,83,51,875 Issued, Subscribed and Paid up Equity shares of Rs.2/- each of the Company, 39.60% have been demated (net of remat) through NSDL and CDSL. There were no remat request 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 31.03.2008.

**7. General Body Meetings**

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

Year	Date	Time	Venue
2004-05	22.09.2005	11.00 a.m.	GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.
2005-06	09.09.2006	11.00 a.m.	
2006-07	25.09.2007	11.00 a.m.	

**b) Extra Ordinary General Meeting**

There was no Extra Ordinary General Meeting held during the F.Y. 2007-08.

**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 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
Re-appointment of chairman Mr. Vijay kumar Gupta as Managing Director of the Company	Ordinary Resolution	25.09.2007
Re-appointment of Mr. P. G. Makhija as an Executive Director	Ordinary Resolution	25.09.2007

**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**

- 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,2008.
- The Company has complied with the requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 7 of Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behaviour. No personnel has been denied access to the Chairman of the Audit Committee.
- During the year under report, the Company bought back and extinguished 9,66,615 Equity Shares of Rs.2/- each at an average price of Rs. 34.26 per equity share aggregating to Rs. 3,31,17,043/- under its Buy-back Scheme from Open market through stock exchange route which closed on 15th January,2008.
- 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 adopted Whistle Blower Policy.

**b. Secretarial Audit**

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

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

**9. Means of Communication Results**

The quarterly and annual results alongwith the Segmental Report are generally published in Indian Express and Financial Express and also displayed on the website of the Company www.ambujagroup.com shortly after its submission to the Stock Exchange.



**Presentation to Institutional Investors or to analysts**

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

**Management Discussion & Analysis Report**

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

**Company's Corporate Website**

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

**10. Shareholders' Information**

**i. Annual General Meeting**

Day, Date & Time : Monday, the 29th September, 2008 at 10.00 A.M.  
 Venue : GICEA (Gajjar Hall), Nirman Bhavan,  
 Opp. Law Garden, Ellisbridge, Ahmedabad : 380006

**ii. Financial Calendar: (2008-2009) ( Tentative)**

Financial year : April-March  
 Annual General Meeting : September, 2009  
 Results for Quarter Ending on  
 30th June, 2008 : 29th July, 2008  
 30th September, 2008 : End of October, 2008  
 31st December, 2008 : End of January, 2009  
 31st March, 2009 : End of April, 2009

**iii. Book Closure Dates**

Closure of Register of Members : 15th September, 2008 to  
 And Share Transfer Books : 29th September, 2008

**iv. Dividend Payment Date**

The Board of Directors declared interim dividend @ 20% for F.Y. 2007-08 at its meeting held on 22nd January, 2008 and the same has been paid to members/ beneficial owners appearing on the record as on record date of 29th January, 2008.

The Board of Directors at its meeting held on 29th July, 2008, recommended final dividend @ 20% p.a. for F.Y. 2007-08, which if approved at the ensuing Annual General Meeting by the members of the Company will be paid to eligible shareholder/ beneficial owner after 29th September, 2008 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 2008-09 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 524226-Rolling Segment
National Stock Exchange of India Limited	Symbol: "GAEL" Series EQ

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

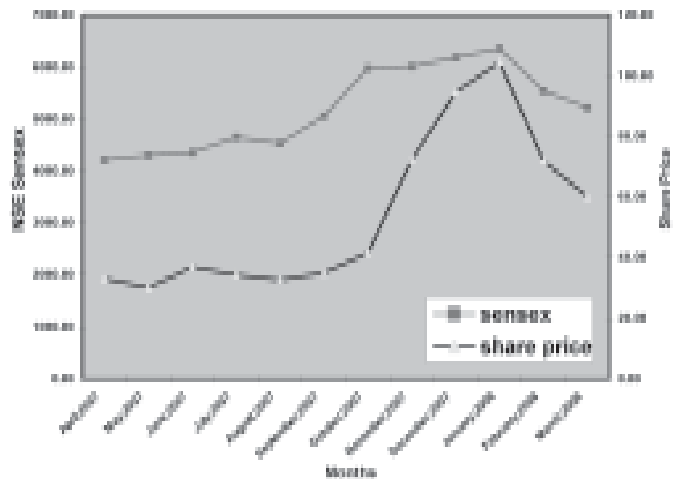
**(a) Monthly Share price movement during F.Y. 2007-08 on BSE and NSE**

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Highest	Lowest	Highest	Lowest
April, 2007	33.30	24.75	33.00	24.10
May, 2007	30.00	26.05	30.00	26.00
June, 2007	35.05	28.10	36.85	27.90
July, 2007	34.20	31.00	34.35	30.10
August, 2007	32.70	28.15	32.55	28.10
September, 2007	35.00	29.05	35.00	29.35
October, 2007	41.90	32.00	41.50	32.00
November, 2007	72.90	33.10	72.40	37.50
December, 2007	94.95	64.25	94.55	61.50
January, 2008	104.60	67.50	104.50	66.85
February, 2008	72.30	54.20	72.00	54.55
March, 2008	58.90	32.10	60.00	32.65

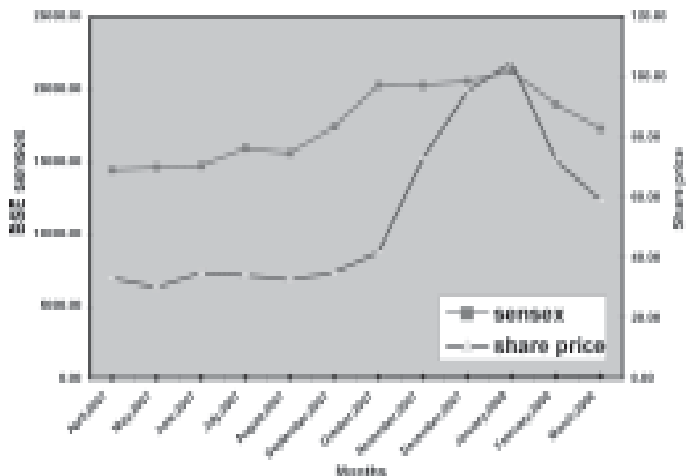
Note : Ahmedabad is Regional Stock Exchange. However, stock market data of the exchanges where volume was high has been considered.

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

Comparison of share price with NSE(S & P CNX Nifty)



Comparison of share price with BSE index



**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**

There were 38 meetings of Share Transfer Committee of the Company during the last financial year 2007-08. Though the shares of the Company are under compulsory demat from 24.07.2000, shareholders holding less than 500 shares can still sell the shares in physical form. Trading of shares directly from seller to buyer not routed through Stock Exchanges is also permissible. The Share Transfer committee usually meets once in a fortnight. Shares in physical form are registered within an average period of 15 days.

**x (a) Distribution of Shareholding as on 31st March, 2008 (including demat)**

No. of Equity Shares held	No. of Share holders	% of share holders	No. of Shares held	% of Share holding
001 to 500	56383	99.45	30598247	22.12
501 to 1000	187	0.34	1305051	0.94
1001 to 2000	61	0.12	859458	0.62
2001 to 3000	15	0.02	366819	0.26
3001 to 4000	7	0.01	248746	0.18
4001 to 5000	9	0.01	413532	0.30
5001 to 10000	14	0.02	884603	0.64
10001 & above	21	0.03	103675419	74.94
<b>Total</b>	<b>56697</b>	<b>100.00</b>	<b>138351875</b>	<b>100.00</b>

**(b) Shareholding Pattern of the Company as on 31st March, 2008 (including Demat)**

Category of Holders	No. Shares	% to total shares
Promoters/Directors & Relatives	87935895	63.56
Financial Insti./Mutual Fund/Banks	6332523	4.58
Non-Residents/FIIs/ OCBs	9194734	6.65
Other Corporate Bodies	1993583	1.44
Indian Public	32895140	23.77
<b>Total</b>	<b>138351875</b>	<b>100.00</b>

**(c) Shareholding of Non Executive Directors as on 31st March, 2008.**

Name of Non Executive Directors	No. Shares	% to total shares
Mrs. Sulochana V Gupta	4485385	3.24
Mr. Jagdish Sharan Varshneya	3750	0.01
Mr. Chaitan M. Maniar	Nil	Nil
Mr. Prakash G Ramrakhiani	Nil	Nil
Mr. Ashok C Gandhi	2500	0.01
Mr. Sandeep N Agarwal	825	0.01
Mr. Rohit J Patel	Nil	Nil
Mr. Mohit V Gupta	9017095	6.51
<b>Total</b>	<b>13509555</b>	<b>9.78</b>

There were no convertible instruments pending conversion into Equity Shares as on 31.03.2008

**xi. Dematerialisation of Shares and Liquidity**

On 31st March 2008 out of 13,83,51,875 Issued, Subscribed and Paid Up Capital of Equity Shares of Rs.2/- each, 39.60% 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. CEO/CFO Certification**

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

**xiv. Plant Locations**

Sr	Name of Unit and Location	Sr	Name of Unit and Location
1	100% EOU Cotton Spinning Division Vil.Dalpur, Dist. Sabarkantha, Gujarat	12	Maize Processing Unit Plot C-50, ELDECO, SIDCUL Industrial Park, Sitarganj, Dist. Udham Singh Nagar, Uttarakhand
2	Bio-Chemical Division (Maize Processing) Vil.Dalpur, Dist. Sabarkantha, Gujarat	13	Wind Mills (Gujarat)
3	Edible Oil Refineries & 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: Satapur, 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		
11	Wheat Processing Unit Pithampur, Dist Dhar (M.P)		

**xv. Investors' Correspondence**

All Communications may be sent to Mr. Sanjay S Maniar, 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 : July 29, 2008**

**(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 31,2008, 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 31,2008.

**Place: Ahmedabad**

**Vijay Kumar Gupta**

**Date : July 29, 2008**

**Chairman & Managing Director**

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

- We have reviewed financial statements and the cash flow statement for the year ended 31st March,2008 and that to the best of our knowledge and belief;
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, there were no transactions entered into by the Company during the year which were fraudulent, illegal or which violated the company's code of conduct.
- We are responsible for establishing and maintaining internal controls for financial reporting and we have
  - Evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting ;
  - Not found any deficiencies in the design or operation of internal controls
- We have indicated to the company's auditors and the Audit Committee of the Board of Directors ;
  - Significant changes that have occurred in the internal control over financial reporting during the year;
  - There have been no significant changes in accounting policies during the year;
  - There have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the company's internal control system over financial reporting; and
  - There were no deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data nor there were any material weaknesses in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there were none.
- We declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year

**Place: Ahmedabad**  
**Date : July 29, 2008**

**Manish Gupta**  
**(Managing Director)**

**N. Giridhar**  
**(V. P. Finance & Accounts)**



## GUJARAT AMBUJA EXPORTS LIMITED

### AUDITORS' REPORT

To,  
The Members of  
Gujarat Ambuja Exports Limited

1. We have audited the attached Balance Sheet of **Gujarat Ambuja Exports Limited** as at **March 31, 2008** and also the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies [Auditors' Report] Order, 2003 (CARO 2003) (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (v) On the basis of the written representations received from the directors, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008.
    - (b) In the case of the Profit & Loss Account, of the 'Profit' of the Company for the year ended on that date.  
and
    - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Arpit K. Patel  
(Partner)

Membership No.: 34032

Place : Ahmedabad  
Date : July 29, 2008

### ANNEXURE REFERRED TO IN PARAGRAPH (3) OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF GUJARAT AMBUJA EXPORTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008.

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

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

## 17<sup>TH</sup> ANNUAL REPORT 2007-2008

- (vi) The company has not accepted deposits from public during the year under audit, hence the directives issued by Reserve Bank of India and provisions of section 58A & 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- (vii) In our opinion, the company has an Internal Audit System commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of "Textile" products and are of the opinion that prima facie the prescribed records have been maintained. We have however not made a detailed examination of records.
- (ix) (a) The Company is generally regular in depositing Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other material statutory dues to appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount in respect of aforesaid statutory dues were outstanding as at 31st March, 2008 for the period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the details of disputed amounts in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, and Excise Duty / Cess not deposited with the appropriate authorities are as follows:

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	Disallowances of expenses	16,64,435	A.Y.1995-96	ITAT
		Disallowance of claims & expenses	65,84,564	A.Y.2003-04	CIT (A)
		Disallowances of claims	5,10,64,598	A.Y.2004-05	CIT (A)
2.	The Bombay Sales of Motor Spirit Taxation Act, 1958	Exemptions	1,71,732	1997-98	Tribunal
3.	The Central Excise Act, 1944	Classification	4,34,43,083	2004-05 & 2005-06	CESTAT
		Additional Demand	9,32,554	2004-05 & 2005-06	CESTAT
		Differential Duty	2,30,32,301	2004-05 & 2005-06	High Court
4.	The Customs Act, 1962	Differential Duty	3,59,056	2003-04	Commissioner of Customs
		Differential Duty	1,17,289	2004-05	CESTAT
		Additional Custom Duty	1,08,00,000	2004-05	CESTAT
		Differential Duty	4,76,043	2006-07	CESTAT
5.	MP Entry Tax Act, 1976	Entry tax on Raw Materials	2,59,30,734	2007-08	High Court
6.	MP Vanijyik Kar Act, 1994	Purchase tax on Raw Material	1,66,79,483	2004-05 & 2005-06	High Court
7.	Indian Stamp Act, 1899 (MP)	Stamp duty	58,60,000	2001-02	Board of Revenue
8.	Krishi Upaj Mandi Adhiniyam, 1972	Mandi Tax	2,27,660	2001-02	High Court
9.	The Gujarat Sales Tax Act, 1969	Sales Tax	3,45,323	1996-97	Tribunal

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

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

Arpit K. Patel  
(Partner)

Place : Ahmedabad  
Date : July 29, 2008

Membership No.: 34032



**GUJARAT AMBUJA EXPORTS LIMITED**

**BALANCE SHEET AS AT 31st MARCH 2008**

(Rupees in Crores)

PARTICULARS	SCHEDULE	AS AT 31.03.2008	AS AT 31.03.2007
<b>(A) SOURCES OF FUNDS</b>			
<b>1 SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	<b>A</b>	27.67	27.86
(b) Reserves & Surplus	<b>B</b>	330.67	275.58
		<b>358.34</b>	<b>303.44</b>
<b>2 LOAN FUNDS</b>			
(a) Secured Loans	<b>C</b>	513.95	182.99
(b) Unsecured Loans	<b>D</b>	1.15	0.79
		<b>515.10</b>	<b>183.78</b>
<b>3 DEFERRED TAX LIABILITY</b>			
(a) Deferred tax liability		48.98	49.78
(b) Deferred tax asset		(-)0.41	(-)0.10
		<b>48.57</b>	<b>49.68</b>
<b>TOTAL</b>		<b>922.01</b>	<b>536.90</b>
<b>(B) APPLICATION OF FUNDS</b>			
<b>1 FIXED ASSETS</b>	<b>E</b>		
Gross Block		450.01	391.90
Less : Depreciation		188.19	157.12
Net Block		261.82	234.78
Add : Capital work in Progress		5.48	27.47
		<b>267.30</b>	<b>262.25</b>
<b>2 INVESTMENTS</b>	<b>F</b>	<b>26.57</b>	<b>9.18</b>
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>	<b>G</b>		
(a) Inventories		461.28	217.07
(b) Sundry Debtors		91.84	66.68
(c) Cash & Bank Balances		141.48	15.03
(d) Other Current Assets		6.77	0.41
(e) Loans & Advances		57.57	9.95
Sub Total (i)		<b>758.94</b>	<b>309.14</b>
<b>LESS:CURRENT LIABILITIES &amp; PROVISIONS</b>			
(a) Current Liabilities	<b>H</b>	105.18	34.73
(b) Provisions	<b>I</b>	25.62	8.94
Sub Total (ii)		<b>130.80</b>	<b>43.67</b>
Net Current Assets (i-ii)		<b>628.14</b>	<b>265.47</b>
<b>TOTAL</b>		<b>922.01</b>	<b>536.90</b>
<b>Significant Accounting Policies</b>	<b>S</b>		
<b>Notes forming part of Financial Statements</b>	<b>T</b>		

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

**ARPIT K. PATEL**  
(PARTNER)

PLACE : AHMEDABAD  
Date : JULY 29, 2008

For and on behalf of the Board of Directors

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

**N. GIRIDHAR**  
(V. P. FINANCE & ACCOUNTS)  
**SANJAY S. MANIAR**  
(COMPANY SECRETARY)

PLACE : AHMEDABAD  
Date : JULY 29, 2008

**BOOK VALUE : RS. 25.90 ON A SHARE OF RS. 2/- | LONG TERM DEBT ONLY RS. 21.68 CRORE**

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

(Rupees in Crores)

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2008	FOR THE YEAR ENDED 31.03.2007
<b>(A) INCOME</b>			
Sales	J	1841.77	1411.76
Less : Excise Duty		12.68	11.52
Net Sales		1829.09	1400.24
Other Income	K	2.08	1.69
<b>TOTAL - "A"</b>		<b>1831.17</b>	<b>1401.93</b>
<b>(B) EXPENDITURE</b>			
(Increase) / Decrease in Stock	L	(-) 55.52	(-)29.51
Material Consumption	M	1389.15	911.91
Manufacturing Expenses	N	106.12	80.23
Purchase of Trading Goods		90.93	228.33
Employees' Cost	O	29.63	21.63
Administrative Expenses	P	19.25	10.07
Sales Expenses	Q	94.96	76.24
Finance & Other Charges	R	15.22	8.11
Exceptional Items (Loss on Discarding of Assets)		0.46	0.00
Depreciation		31.46	25.10
<b>TOTAL - "B"</b>		<b>1721.66</b>	<b>1332.11</b>
<b>Profit before Tax (A-B)</b>		<b>109.51</b>	<b>69.82</b>
Provision for Taxation			
- Current tax		39.15	9.24
- Deferred tax		(-) 1.05	14.08
- Fringe Benefit Tax		0.16	0.22
- Less: Excess Provision of Earlier Years Written Back		0.00	0.47
<b>Profit after Tax</b>		<b>71.25</b>	<b>46.75</b>
Add: Balance of Profit from Previous Year		124.78	89.89
<b>Profit available for appropriation</b>		<b>196.03</b>	<b>136.64</b>
<b>APPROPRIATION</b>			
Transferred to General Reserve		7.50	6.00
Transferred to Capital Redemption Reserve		0.19	0.00
Interim Dividend Paid (20%) (P Y Nil)		5.53	0.00
Dividend Distribution Tax On Interim Dividend Paid (P. Y. Nil)		0.94	0.00
Proposed Final Dividend 20% p.a. (P.Y. 18% p.a.)		5.53	5.01
Provision for Dividend Distribution Tax		0.94	0.85
Balance carried to Balance Sheet		175.40	124.78
<b>TOTAL</b>		<b>196.03</b>	<b>136.64</b>
<b>Significant Accounting Policies</b>	S		
<b>Notes forming part of Financial Statements</b>	T		
Earnings per Equity Share of Rs.2/- each (Basic & Diluted) (Refer Note 12 of Schedule "T")		5.13	3.36

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

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

**ARPIT K. PATEL**  
(PARTNER)

PLACE : AHMEDABAD  
Date : JULY 29, 2008

For and on behalf of the Board of Directors

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

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

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

**SANJAY S. MANIAR**  
(COMPANY SECRETARY)

PLACE : AHMEDABAD  
Date : JULY 29, 2008

TURNOVER Rs. 1829 CRORES | EPS : Rs. 5.13 ON A SHARE OF RS. 2/-





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

[Rupees in Crores]

PARTICULARS	YEAR ENDED 31-03-2008	YEAR ENDED 31-03-2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR</b>	<b>109.51</b>	<b>69.82</b>
Depreciation / Amortisation	31.46	25.10
Loss on Exceptional item	0.46	0.00
Income from Dividend	(-) 0.07	(-) 0.05
(Profit) / Loss on Sale of Assets	(-) 0.54	(-) 0.53
Profit on Sale of Investments (Net)	(-) 1.24	(-) 0.48
Finance & Other Charges	25.62	9.92
Interest Income	(-)10.40	(-) 1.10
	<u>45.29</u>	<u>32.86</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>154.80</b>	<b>102.68</b>
<b>ADJUSTMENTS FOR</b>		
Trade and other Receivables	(-) 72.78	(-)8.22
Inventories	(-) 244.21	10.08
Trade Payables & Liabilities	69.51	27.14
Transitional Liability for Gratuity and Leave Encashment	(-) 0.15	0.00
	<u>(-) 247.63</u>	<u>29.00</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(-) 92.83</b>	<b>131.68</b>
Direct Taxes (paid / adjusted)	(-) 22.81	(-) 8.99
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(-) 115.64</b>	<b>122.69</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(-) 42.43	(-)66.25
Sale of Fixed Assets	4.79	2.05
Purchase of Investments	(-)19.75	(-) 3.41
Sale of Investments	3.60	1.57
Interest Received	4.02	1.10
Dividend Received	0.07	0.05
	<u>(-) 49.70</u>	<u>(-)64.89</u>
<b>NET CASH GENERATED IN INVESTING ACTIVITIES [B]</b>	<b>(-) 49.70</b>	<b>(-)64.89</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of Shares	(-) 3.31	0.00
Proceeds from Borrowings	336.52	0.00
Repayment of Borrowings	(-) 5.56	(-) 28.08
Proceeds from Unsecured Loans	0.35	(-) 0.02
Financial and other charges Paid	(-) 23.81	(-) 13.35
Dividend and tax thereon paid	(-) 12.40	(-) 5.86
	<u>291.79</u>	<u>(-) 47.31</u>
<b>NET CASH FROM FINANCING ACTIVITIES [C]</b>	<b>291.79</b>	<b>(-) 47.31</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS [A+B+C]</b>	<b>126.45</b>	<b>10.49</b>
Cash & Cash Equivalents at beginning of period	15.03	4.54
Cash & Cash Equivalents at end of period	141.48	15.03
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>126.45</b>	<b>10.49</b>
Major components of Cash and Cash Equivalents as at	<b>31.03.2008</b>	<b>31.03.2007</b>
Cash in hand (including cheques on hand)	0.69	0.82
With Scheduled Banks on :		
Current Accounts	2.75	2.11
Short Term Deposits : In Lien	133.41	11.50
In Lien free	4.63	0.60
<b>Total</b>	<b>141.48</b>	<b>15.03</b>

## Notes :

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

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

**ARPIT K. PATEL**  
 (PARTNER)

PLACE : AHMEDABAD  
 Date : JULY 29, 2008

**For and on behalf of the Board of Directors**  
**VIJAYKUMAR GUPTA**  
 (CHAIRMAN & MANAGING DIRECTOR)  
**MANISH V. GUPTA**  
 (MANAGING DIRECTOR)  
**N. GIRIDHAR**  
 (V. P. FINANCE & ACCOUNTS)  
**SANJAY S. MANIAR**  
 (COMPANY SECRETARY)

PLACE : AHMEDABAD  
 Date : JULY 29, 2008

## SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2008

Rs. in Crores

	AS AT 31.03.2008	AS AT 31.03.2007
<b>SCHEDULE "A" SHARE CAPITAL</b>		
<b>Authorised</b>		
250000000(P.Y.250000000) Equity shares of Rs.2 each	50.00	50.00
	<u>50.00</u>	<u>50.00</u>
<b>Issued,Subscribed and Paid Up Capital</b>		
138351875 (P.Y.139318490) Equity Share of Rs.2/- each	27.67	27.86
Notes:		
i. Includes 31500000 (P.Y.315000000) 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.		
v. 966615 (P. Y Nil) Equity Shaes of Rs. 2/- each bought back and extinguished pursuant to scheme of Buy-back from open market through stock exchange route which closed on 15.01.2008		
	<u>27.67</u>	<u>27.86</u>
<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Balance as per last Balance Sheet	143.02	137.02
Less : Transitional Liability under AS 15 (Deferred Tax Rs. 522162/-)	0.10	0.00
Less : Utilised for Buy Back of Equity Shares	3.12	0.00
Add : Transferred from Capital Subsidy	0.15	0.00
Add : Transferred from Profit & Loss Account	7.50	6.00
	<u>147.45</u>	<u>143.02</u>
<b>Capital Subsidy</b>		
Balance as per last Balance Sheet	0.65	0.65
(Refer Accounting Policy N of Schedule "S")		
Less : Transfer to General Reserve	0.15	0.00
	<u>0.50</u>	<u>0.65</u>
<b>Amalgamation Reserve Account</b>		
Balance as per last Balance Sheet	0.02	0.02
	<u>0.02</u>	<u>0.02</u>
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	0.89	0.89
	<u>0.89</u>	<u>0.89</u>

	AS AT 31.03.2008	AS AT 31.03.2007
<b>SCHEDULE "B" RESERVES &amp; SURPLUS (Contd.)</b>		
<b>Capital Redemption Reserve</b>		
Opening Balance	6.22	6.22
Add : Transferred from Profit & Loss Account	0.19	0.00
	<u>6.41</u>	<u>6.22</u>
<b>Surplus as per Profit and Loss Account</b>		
	<u>175.40</u>	<u>124.78</u>
	<u>330.67</u>	<u>275.58</u>
<b>SCHEDULE "C" SECURED LOANS</b>		
<b>(A) Term Loans</b>		
(I) from Indian Renewable Energy Development Agency, New Delhi	2.83	3.49
Interest accrued and due on above (Rs. Nil, P. Y. Rs. 17490/-)	0.00	0.00
(Secured by hypothecation of Wind Mills, mortgage of related land & personal guarantee of three promoter Directors.) [Principal repayable within one year Rs. 66,50,000/- (P.Y. Rs. 66,50,000/-)]		
	<u>2.83</u>	<u>3.49</u>
(II) from Bank of India, under TUF scheme	18.75	23.75
(Secured by hypothecation of specific movable Plant & Machinery & personal guarantee of three promoter Directors.) [Principal repayable within one year Rs. 5,00,00,000/- (P.Y. Rs. 5,00,00,000/-)]		
	<u>18.75</u>	<u>23.75</u>
(III) From Punjab National Bank	0.10	0.00
Interest accrued and due on above (Rs. 12,325/- (PY Rs. Nil))	0.00	0.00
(Secured by pledge of fixed deposit of Rs. 15,00,000/-) [Principal repayable within one year Rs. 10,00,000/-]		
	<u>0.10</u>	<u>0.00</u>
	<u>21.68</u>	<u>27.24</u>
<b>(B) Other Loans - Working Capital</b>		
From Banks	492.27	155.75
(Secured by a hypothecation of current assets & certain tangible movable plant & machinery and joint equitable mortgage of certain immovable fixed assets of the Company and personal guarantee, mortgage and security of certain personal assets of three promoter Directors and against lien on Fixed Deposits of the Company.)		
	<u>492.27</u>	<u>155.75</u>
	<u>513.95</u>	<u>182.99</u>
<b>SCHEDULE "D" UNSECURED LOANS</b>		
Dealers' & Distributors' Deposits	1.15	0.79
	<u>1.15</u>	<u>0.79</u>

## SCHEDULE "E" FIXED ASSETS (AT COST)

SR No.	PARTICULARS	Gross Block			Depreciation			Net Block			
		As at 01.04.2007	Additions During the year	Deductions During the year	As at 31.03.2008	As at 01.04.2007	For the year	Deductions during the year	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
<b>Tangible Assets</b>											
1	Free Hold Land	2.69	5.51	0.78	7.42	0.00	0.00	0.00	0.00	7.42	2.69
2	Lease Hold Land	0.89	0.41	0.00	1.30	0.00	0.00	0.00	0.00	1.30	0.89
3	Factory Building	53.69	15.06	0.00	68.75	17.71	1.81	0.00	19.52	49.23	35.98
4	Non Factory Building & Colony	11.40	0.68	3.80	8.28	1.72	0.15	0.01	1.86	6.42	9.68
5	Plant & Machinery	238.77	30.73	0.00	269.50	110.94	23.21	0.00	134.15	135.35	127.83
6	Wind Mill	31.81	0.17	0.00	31.98	1.46	1.68	0.00	3.14	28.84	30.35
7	Electric Supply System	8.38	2.72	0.00	11.10	5.20	0.40	0.00	5.60	5.50	3.18
8	Vehicles	3.97	1.06	0.11	4.92	1.77	0.41	0.10	2.08	2.84	2.20
9	Furniture & Fixtures	1.88	0.12	0.00	2.00	1.29	0.11	0.00	1.40	0.60	0.59
10	Office Equipments	2.85	0.58	0.02	3.41	1.30	0.29	0.01	1.58	1.83	1.55
11	D.G.Set	28.06	0.74	0.39	28.41	14.24	2.69	0.27	16.66	11.75	13.82
12	Temple	0.24	0.06	0.00	0.30	0.04	0.00	0.00	0.04	0.26	0.20
13	Factory Road	1.38	0.00	0.00	1.38	0.08	0.02	0.00	0.10	1.28	1.30
14	Effluent Treatment Plant	4.80	5.00	0.00	9.80	1.01	0.50	0.00	1.51	8.29	3.79
<b>Intangible Assets</b>											
1	Trade Mark	0.50	0.00	0.00	0.50	0.35	0.05	0.00	0.40	0.10	0.15
2	SAP/ERP Systems	0.59	0.37	0.00	0.96	0.01	0.14	0.00	0.15	0.81	0.58
	<b>TOTAL</b>	<b>391.90</b>	<b>63.21</b>	<b>5.10</b>	<b>450.01</b>	<b>157.12</b>	<b>31.46</b>	<b>0.39</b>	<b>188.19</b>	<b>261.82</b>	<b>234.78</b>
	Previous year	355.48	42.26	5.84	391.90	136.34	25.10	4.32	157.12	234.78	219.14
	CAPITAL WORK IN PROGRESS	19.37	32.60	51.02	0.95	0.00	0.00	0.00	0.00	0.95	19.37
	CAPITAL ADVANCE	8.10	0.57	4.14	4.53	0.00	0.00	0.00	0.00	4.53	8.10
	<b>TOTAL</b>	<b>27.47</b>	<b>33.17</b>	<b>55.16</b>	<b>5.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.48</b>	<b>27.47</b>
	Previous year	0.28	35.27	8.08	27.47	0.00	0.00	0.00	0.00	27.47	0.28

Note : 1. Estimated amount of capital contracts (net) pending to be executed Rs. 29.83 Cr. (P. Y. Rs. 43.14 Cr.). 2. During the year company has capitalised borrowing cost of Rs. 0.13 Cr. (P.Y. Rs. 3.43 Cr.)



**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2008**

Rs. in Crores

	AS AT 31.03.2008	AS AT 31.03.2007
<b>SCHEDULE "F" INVESTMENTS (AT COST) (LONG TERM INVESTMENTS)</b>		
<b>QUOTED ( EQUITY )</b>		
300 [P.Y. Nil] ACC Limited of Rs.10/- each fully paid up.	0.02	0.00
10 [P.Y. 10] Adani Enterprises Ltd. of Rs.1/- each fully paid up. (Rs. 594/-) (P. Y. Rs. 594/-)	0.00	0.00
50380 [P.Y. 240] Ambuja Cement Ltd. of Rs.2/- each fully paid up. (P. Y. Rs. 25500/-)	0.62	0.00
20302 [P.Y. 20302] Andhra Bank of Rs. 10 /- each fully paid up	0.18	0.18
25 [P.Y. 25] Arvind Mills Ltd. of Rs.10/- each fully paid up (Rs. 261/-) (P. Y. Rs. 261/-)	0.00	0.00
100000 [P.Y. Nil] Ashok Leyland Ltd. of Rs.1/- each fully paid up.	0.36	0.00
24735 [P.Y. Nil] Central Bank of India of Rs.10/- each fully paid up.	0.19	0.00
3391 [P.Y. Nil] Edelweiss Capital Ltd. of Rs.5/- each fully paid up.	0.28	0.00
4992 [P.Y. 4992] Firstsource Solutions Ltd. of Rs. 10/- each fully paid up.	0.03	0.03
35290 [P.Y. 8232] Gateway Distriparks Ltd. of Rs.10/- each fully paid up.	0.30	0.06
5400 [P.Y. Nil] Gujarat Alkalies & Chemicals Ltd. of Rs.10/- each fully paid up.	0.07	0.00
62631 [P.Y.121797] Guj. State Petronet Ltd. of Rs.10/- each fully paid up.	0.17	0.33
10000 [P.Y. Nil] Hindalco Industries Ltd. of Rs.1/- each fully paid up.	0.19	0.00
39897 [P.Y. Nil] Hotel Leela Venture Ltd. of Rs.2/- each fully paid up.	0.16	0.00
5426 [P.Y.33] ICICI Bank Ltd. of Rs.10/- each fully paid up.(P.Y. Rs. 13400/-)	0.50	0.00
203965 [P.Y.273965] IDEA Cellular Ltd. of Rs.10/- each fully paid up.	1.53	2.05
10000 [P.Y. Nil] IDFC of Rs.10/- each fully paid up.	0.22	0.00
Nil [P.Y. 100] J. K. Cement Ltd. of Rs. 10/- each fully paid up. (P.Y. Rs.1000/-)	0.00	0.00
1000 [P.Y. Nil] Larson & Toubro Ltd. of Rs.2/- each fully paid up.	0.28	0.00
5 [P.Y. 5] Maral Overseas Ltd. of Rs.10/- each fully paid up. (Rs. 116/-) (P.Y. Rs. 116/-)	0.00	0.00
114822 [P.Y. Nil] Meghmani Organics Ltd. of Rs.1/- each fully paid up.	0.22	0.00
88770 [P.Y. 33770] NTPC Ltd. of Rs.10/- each fully paid up.	1.29	0.21
66600 [P.Y. Nil] Oil & Natural Gas Corp. Ltd. of Rs.10/- each fully paid up.	6.59	0.00
5583 [P.Y. Nil] Omaxe Limited of Rs.10/- each fully paid up.	0.17	0.00
251700 [P.Y. Nil] Petronet LNG Ltd. of Rs.10/- each fully paid up.	1.79	0.00
9539 [P.Y. 79539] Power Finance Corp Ltd. of Rs.10/- each fully paid up.	0.09	0.68
254559 [P.Y. Nil] Power Grid Corporation of India Ltd. of Rs.1/- each fully paid up.	1.32	0.00
Nil [P.Y. 544] Reliance Petroleum Ltd. of Rs.10/- each fully paid up. (P.Y. Rs. 32640/-)	0.00	0.00
100 [P.Y. 100] Riddhi Siddhi Gluco Biols Ltd. of Rs.10/- each fully paid up. (Rs. 1075/-) (P.Y. Rs. 1075/-)	0.00	0.00
10000 [P.Y. Nil] Shipping Corporation of India Ltd. of Rs.10/- each fully paid up.	0.21	0.00
24600 [P.Y. Nil] Steel Authority of India Ltd. of Rs.10/- each fully paid up.	0.51	0.00
1500 [P.Y. Nil] Sukhjit Starch & Chemicals Ltd. of Rs.10/- each fully paid up.	0.02	0.00
7000 [P.Y. Nil] Tata Motors Ltd. of Rs.10/- each fully paid up.	0.44	0.00
37 [P.Y. Nil] Tata Steel Ltd. of Rs.10/- each fully paid up. (Rs. 11100/-)	0.00	0.00
40000 [P.Y. Nil] Tata Teleservices Maharashtra Ltd. of Rs.10/- each fully paid up.	0.13	0.00
Nil [P.Y. 38] Videcon Industries Ltd. of Rs.10/- each fully paid up. (P.Y. Rs. 15010/-)	0.00	0.00
<b>QUOTED (IN PREFERENCE SHARES)</b>		
182 [P.Y. Nil] CCPS of Tata Steel Ltd. of Rs.10/- each fully paid up (Rs. 18200/-)	0.00	0.00
<b>IN MUTUAL FUND [UNQUOTED]</b>		
250000 [P.Y. 250000 ] Units of Reliance Mutual Fund of Rs.10/- each	0.25	0.25
311721.854 [P.Y. 270000] Units of Kotak Lifestyle Mutual Fund of Rs.10/- each	0.32	0.27
100000 [P.Y. 100000] Units of PNB Long Term Equity Fund of Rs.10/- each	0.10	0.10
<b>UNQUOTED (IN EQUITY SHARES)</b>		
<b>In Subsidiary Company</b>		
854212 [P.Y. 854212] Ordinary Shares of One Singapore Dollar each fully paid in Gujarat Ambuja International Pte Ltd.	2.06	2.06
<b>In Others</b>		
389490 [P.Y.389490] Equity shares of Jupiter Corporate Services Ltd. of Rs. 10/- each fully paid up.	1.94	1.94
2083580 [P.Y. 2083580] Equity Shares of Royale Exports Ltd, Srilanka each of Rs.10/- of Srilankan Rupees	0.98	0.98
10000 [P.Y. Nil] Equity shares of Kalupur Com. Co-Op Banks Ltd. of Rs. 25/- each fully paid up.	0.02	0.02
<b>UNQUOTED (IN BONDS)</b>		
30 [P.Y. Nil] PNB Long Term LOA Perpetual Bonds (Interest 10.40%)	3.00	0.00
<b>Government Security</b>		
National Saving Certificates (Lodged with Sales tax & Other Government authorities)	0.02	0.02
	26.57	9.18
<b>AGGREGATE COST OF QUOTED INVESTMENTS</b>	<b>17.88</b>	<b>3.54</b>
<b>AGGREGATE COST OF MUTUAL FUND</b>	<b>0.67</b>	<b>0.62</b>
<b>AGGREGATE COST OF UNQUOTED INVESTMENTS</b>	<b>8.02</b>	<b>5.02</b>
<b>MARKET VALUE OF QUOTED INVESTMENTS</b>	<b>20.00</b>	<b>4.84</b>
<b>NAV OF MUTUAL FUND</b>	<b>0.77</b>	<b>0.69</b>

	AS AT 31.03.2008	AS AT 31.03.2007
<b>SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>(A) Current Assets</b>		
<b>1 Inventories (As taken, Valued &amp; Certified by the management)</b>		
Raw Materials	284.60	103.52
Packing Materials	5.41	2.76
Stores & Spares, Coal, Diesel, Furnace Oil	14.75	9.79
Work in Process	2.27	2.18
Finished Goods	154.25	98.82
	<u>461.28</u>	<u>217.07</u>
<b>2 Sundry Debtors (Unsecured, Considered Good)</b>		
Outstanding for a period exceeding six months	0.18	0.02
Others	91.66	66.66
	<u>91.84</u>	<u>66.68</u>
<b>3 Cash &amp; Bank Balances</b>		
Cash on Hand	0.69	0.82
Balance with Banks		
With Scheduled Banks		
(a) in Current accounts	2.69	1.53
(b) in Fixed Deposit accounts	133.41	11.50
(with Bank as Lien as margin money for line of credit)		
(c) Lien Free Fixed Deposit accounts	4.63	0.60
With Other Banks		
(A) on Current accounts	0.06	0.58
Includes balances with		
(a) Shri Kadi Nagrik Sahakari Bank Ltd [Rs. 19893/- (P.Y. Rs. 19893/-)] (Maximum balance outstanding during the year Rs.19893/- P.Y. Rs. 23279/-)		
(b) The Akola Janta Comm.Co.Op.Bank Ltd [Rs.546520/- (P.Y. Rs. 5747729/-)] (Maximum balance outstanding during the year Rs.7850274/- P.Y. Rs. 7055070/-)		
	<u>141.48</u>	<u>15.03</u>
<b>4 Other Current Assets</b>		
Interest Receivable	6.77	0.41
	<u>6.77</u>	<u>0.41</u>
<b>5 Loans &amp; Advances (Unsecured, Considered Good)</b>		
Advances recoverable in cash or in kind or for value to be received	53.92	6.87
Advances for Goods & Expenses	1.34	1.27
Excise Balances	2.31	1.81
	<u>57.57</u>	<u>9.95</u>
<b>SCHEDULE "H" CURRENT LIABILITIES</b>		
Creditors for Capital Goods (Refer Note 4 of Schedule "T")	2.54	3.90
Creditors for Goods & Expenses (Refer Note 4 of Schedule "T")	81.07	13.43
Advance Received from Customers	2.11	1.43
Advance Received from Subsidiary	0.10	0.00
Interest Accrued but not due	2.05	0.11
Bank Overdraft as per Books	0.42	0.71
Other Liabilities	15.97	14.16
Unclaimed Dividend (Not due for transfer to I.E & P Fund)	0.92	0.99
	<u>105.18</u>	<u>34.73</u>
<b>SCHEDULE "I" PROVISIONS</b>		
Proposed Dividend	6.47	5.86
(Including Dividend Distribution Tax Rs. 0.94 Crores P.Y. Rs. 0.85 Crores)		
Tax Balances : Current Tax - (Provisions Less Advance Tax)	18.81	2.32
Provision for Employee Benefits	0.34	0.76
	<u>25.62</u>	<u>8.94</u>

## SCHEDULES TO THE PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Rs. in Crores

	YR. ENDED 31.03.2008	YR. ENDED 31.03.2007		YR. ENDED 31.03.2008	YR. ENDED 31.03.2007
<b>SCHEDULE "J" SALES</b>			<b>SCHEDULE "O" EMPLOYEES' COST</b>		
Export Sales	927.16	539.02	Salary,Wages, Bonus, Gratuity & Leave encashment	21.46	20.37
[FOB Value Rs.892.19 Crores (P.Y.Rs 510.97 Crores)]			Commission to Managing Directors	6.94	0.00
Domestic Sales	914.61	872.74	Contribution to Provident Fund & Other Funds	1.10	1.14
	<u>1,841.77</u>	<u>1,411.76</u>	Staff Welfare	0.13	0.12
<b>SCHEDULE "K" OTHER INCOME</b>				<u>29.63</u>	<u>21.63</u>
Dividend from long term Investment	0.08	0.04	<b>SCHEDULE "P" ADMINISTRATIVE EXPENSES</b>		
Miscellaneous Income	0.23	0.64	Conveyance & Travelling Expenses	2.39	1.73
Profit on Sale of long term Investments (Net)	1.24	0.48	[Including Directors Travelling		
Profit on Sale of Assets (Net)	0.53	0.53	Rs. 0.10 Crores (P.Y. Rs 0.63 Crores)]		
	<u>2.08</u>	<u>1.69</u>	Electricity Expenses	0.35	0.42
<b>SCHEDULE "L" INCREASE/ DECREASE IN STOCK</b>			Vehicle Maintenance Expenses	1.16	1.01
Opening Stock			Insurance Expenses	0.45	0.36
Work-in-Process	2.18	2.14	Printing,Stationery, Postage & Telephone	1.42	1.50
Finished Goods	98.82	69.35	Legal & Professional Expenses	1.61	1.38
	<u>101.00</u>	<u>71.49</u>	Rent	0.51	0.40
Less : Closing Stock			Rates & Taxes	0.18	0.10
Work-in-Process	2.27	2.18	Donations	0.06	0.05
Finished Goods	154.25	98.82	Foreign Exchange Fluctuation	5.79	(-)-0.35
	<u>156.52</u>	<u>101.00</u>	Payment to Auditors		
	<u>(-)-55.52</u>	<u>(-)-29.51</u>	For Audit	0.10	0.09
<b>SCHEDULE "M" Materials Consumption</b>			For Tax Audit	0.03	0.02
Raw Materials			For Others	0.02	0.01
Opening Stock	103.52	147.65	General Administrative Charges	5.18	3.35
Add : Raw Materials Purchased	1,555.99	857.03		<u>19.25</u>	<u>10.07</u>
Less : Sale of Raw Materials	3.84	2.58	<b>SCHEDULE "Q" SALES EXPENSES</b>		
Less : Closing Stock of Raw Materials	284.60	103.52	<b>For Domestic Sales</b>		
Raw Materials Consumption	1,371.07	898.58	Local Sales Expenses	12.38	15.52
Packing Materials Consumption	18.08	13.33	Commission & brokerage	1.36	0.57
Total Materials Consumption	<u>1,389.15</u>	<u>911.91</u>		<u>13.74</u>	<u>16.09</u>
<b>SCHEDULE "N" MANUFACTURING EXPENDITURE</b>			Sub Total (i)		
Stores & Spares Consumed	15.26	6.70	<b>For Export Sales</b>		
Power, Electricity, Diesel, LDO & Fuel Expenses	44.62	35.30	Exports Sales Expenses	79.65	59.50
Coal ,Castor DOC ,Chemicals & Fuel Consumed	27.86	28.15	Commission & brokerage	1.54	0.64
Repairs : Plant & Machinery	0.82	1.23	Insurance	0.03	0.01
Building	0.53	0.92		<u>81.22</u>	<u>60.15</u>
Others	1.07	0.54	Sub Total (ii)		
Insurance [Net of Claims]	0.90	1.27	Total (i + ii)	<u>94.96</u>	<u>76.24</u>
Other Manufacturing Expenses	18.62	9.18	<b>SCHEDULE "R" FINANCE &amp; OTHER CHARGES</b>		
	<u>109.68</u>	<u>83.29</u>	Interest on Fixed Loans / Term Loan	1.50	0.22
Less : Job work charges Recovered	3.56	3.06	Interest on Working Capital Loans	16.22	6.66
	<u>106.12</u>	<u>80.23</u>	Interest on Others	0.40	0.01
			Bank and Other Financial Charges	7.49	2.29
				<u>25.61</u>	<u>9.18</u>
			LESS : Income		
			Interest on Bank Deposits (Gross)	10.03	0.77
			[TDS : Rs. 2.26 Crores (P.Y.TDS Rs 0.17 Crores)]		
			Interest on Others (Gross)	0.36	0.30
			[TDS Rs. 85656/- (P.Y.TDS Rs 103373/-)]		
				<u>10.39</u>	<u>1.07</u>
			<b>Net Finance &amp; Other Charges</b>	<u>15.22</u>	<u>8.11</u>



## SCHEDULE "S" Significant Accounting Policies

### A) ACCOUNTING CONVENTION

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

### B) USE OF ESTIMATES

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

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

### C) FIXED ASSETS, DEPRECIATION AND EXPENDITURE DURING CONSTRUCTION PERIOD

i) Fixed assets are stated at cost of acquisition & installation, net of cenvat and VAT credits availed, if any, less accumulated depreciation and impairment loss, if any. Pre-operative expenses, borrowing costs incurred during the period of construction/acquisition of assets are added to the cost of Fixed Assets. Major expenses on modification /alterations increasing efficiency/capacity of the plant are also capitalised.

ii) a) Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956, ( as amended ).

b) Depreciation on incremental cost arising on account of translation of foreign currency liabilities up to 31.03.2007 for acquisition of fixed assets has been provided over the residual life of the respective assets.

c) In respect of major alterations/modifications forming an integral part of existing assets, depreciation is provided at the rate arrived on the basis of useful life of such assets after such alterations/modifications or at the rate prescribed under schedule XIV, whichever is higher on the total value of such assets.

### iii) IMPAIRMENT OF ASSETS

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

### D) INVESTMENTS

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

### E) INVENTORIES

Inventories are valued as under:

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

Hitherto the Company was following FIFO method of ascertaining cost in respect of raw materials, packing materials and stores and spares.

During the year the Company has changed the method of ascertaining the cost to weighted average basis after migrating to SAP ERP System.

### F) EMPLOYEE BENEFITS

#### a) Short Term Employee Benefits

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

#### b) Post-Employment Benefits

##### (i) Defined Contribution Plans

State Governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees renders the related services.

##### (ii) Defined Benefit Plans

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

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

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

Actuarial gains and losses are recognised immediately in the profit and loss account.

In case of funded plans, the fair value of the plan assets is reduced from the gross

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

#### c) Long term employee benefits

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

### G) REVENUE RECOGNITION

#### i) SALES ACCOUNTING

- Sales is inclusive of Excise, Export Incentives/Licences and exclusive of VAT and Sales Tax.
- Excise duty paid for captive consumption of goods, where cenvat credit is not available, is shown as excise expense.

#### ii) DIVIDEND INCOME

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

### H) BORROWING COSTS

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

### I) TAXES ON INCOME AND EXPENSES

- Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realised. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.
- Fringe benefit tax has been determined at current applicable rate on taxes falling within the ambit of "Fringe Benefit" as defined under the Income Tax act, 1961.

### J) FOREIGN CURRENCY TRANSACTIONS

- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- Monetary items denominated in foreign currency at the year end are translated at the exchange rates prevailing at the Balance Sheet date.
- Premium or discount arising at the inception of the forward exchange contract is amortised as income or expense over the period of the contract. Any profit or loss arising in renewal or cancellation of forward exchange contracts is recognised as income or expense during the year.
- Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.
- Losses in respect of all outstanding derivative contracts at the Balance Sheet date is provided by marking them to market.

### K) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

### L) CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

### M) RESEARCH AND DEVELOPMENT EXPENSES

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

### N) GOVERNMENT GRANTS

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

### O) EXPORT BENEFITS/INCENTIVES

The benefits are accounted on the accrual basis.

### P) EXCISE DUTY

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

**SCHEDULE "T" Notes forming part of Financial Statements (Rs. in Crores)**

1. Contingent liabilities not provided for in respect of

PARTICULARS	2007-08	2006-07
(a) Claims against the Company /disputed liabilities not acknowledged as debts	4.67	6.99
(b) Disputed Excise duty, Sales Tax, Motor Spirit Tax, Income Tax Claims	18.77	21.46
(c) Differential amount of custom duty in respect of machinery and raw materials purchased under EPCG and Advance License Scheme	0.11	0.00
(d) Corporate guarantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte. Ltd Outstanding against this as at 31st March	10.02 (US\$2.5Mn) Nil	12.93 (US \$3 Mn) Nil

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

(b) Futures cash outflow in respect of 1 (c) depends if Company is unable to fulfill export obligation of Rs. 0.08 Crores within next eight years under EPCG Scheme and 6986 MT of castor meal amounting to Rs. 3.98 Crores under Advance License Scheme on or before 30th November 2008.

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. Sales include realised gain of exchange on forward exchange contracts (Net of settlements) entered into primarily for hedging purpose Rs. 10.44 Crores (net) (P.Y. Rs 7.15 Crores (net)).

4. Based on the information available with the company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act,2006 as at March 31,2008. Hence, the disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

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

6. a) Managerial Remuneration

PARTICULARS	2007-08	2006-07
Salary	0.50	0.47
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
Commission	6.94	0.00
<b>Total</b>	<b>7.44</b>	<b>0.47</b>

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

	2007-08
Net Profit Before Taxation	109.51
<b>ADD:</b>	
1 Depreciation (As per Accounts)	31.46
2 Directors' Remuneration	7.44
3 Directors' Fees (Sitting Fees)	0.05
4 Loss on discarding of Assets (Exceptional item)	0.46
<b>Total</b>	<b>148.92</b>
<b>LESS:</b>	
1 Depreciation under Section 350	31.46
2 Surplus on disposal of Fixed Assets (net)	0.53
3 Surplus on disposal of Fixed Investments (net)	1.24
<b>Total</b>	<b>33.23</b>
Net Profit as per Section 198 of the Companies Act,1956	115.69
Commission on net profit restricted to 3% each to two Managing Directors as per Board approval	6.94

There was no commission paid to Managing Directors during the financial year 2006-07 and hence previous year figures are not furnished.

7. Change in Accounting Policy

The Company was following FIFO method of ascertaining cost in respect of raw materials, packing materials and stores & spares. During the year in view of migrating to SAP ERP System the Company has changed the method of ascertaining the cost to weighted average basis. The impact of the change in Accounting Policy on the profitability is not material.

8. 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 are :

PARTICULARS	As at 31st March 2008	As at 31st March 2007
<b>A</b> Deferred tax liabilities		
(i) Depreciation	48.91	49.78
(ii) Other Provisions	0.07	0.00
<b>Total</b>	<b>48.98</b>	<b>49.78</b>
<b>B</b> Deferred tax Assets		
(i) Provisions - 43 B items (Gratuity & Leave Encashment)	0.29	0.10
(ii) Other Provisions	0.12	0.00
<b>Total</b>	<b>0.41</b>	<b>0.10</b>
<b>Net Deferred tax liability</b>	<b>48.57</b>	<b>49.68</b>

9. i) Pursuant to the transitional provision of Accounting Standard (AS) 15 (Revised) on " Employees Benefits", an amount of Gross Rs. 0.15 Crore (Net of Tax Rs.0.10 Crore) has been debited to the General Reserve. The said amount represent the difference between the liability in respect of various employees benefits determined under AS 15 (Revised) as on April 1, 2007 and the liability that existed as on that date as per AS 15 prior to the revision.

ii) Defined Contribution Plans: Amount of Rs. 1.10 Crore is recognised as expense and included in Employee's Expenses in the Profit and Loss Account.

(iii) Defined Benefit Plans

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

Particulars	Gratuity Plan	Leave Encashment
Opening defined benefit Obligation as at 01.04.07	1.98	0.34
Service Cost	0.18	0.08
Interest Cost	0.17	0.03
Actuarial Losses (Gains)	0.02	(-)0.02
Losses (Gains) on curtailments	0.00	0.00
Liabilities extinguished on settlements	0.00	0.00
Benefits Paid	(-)0.14	(-)0.09
Closing defined benefit obligation as at 31.03.2008	2.21	0.34

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

Particulars	Gratuity Plan	Leave Encashment
Opening fair value of plan assets as at 01.04.2007	1.71	0.00
Expected return	0.18	0.00
Actuarial gains and (Losses)	(-)0.01	0.00
Assets distributed on settlements	0.00	0.00
Contribution by employer	0.50	0.34
Benefit paid	(-)0.13	(-)0.09
<b>Closing balance of fair value of plan assets as at 31.03.2008</b>	<b>2.25</b>	<b>0.25</b>

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

Particulars	Gratuity Plan	Leave Encashment
<b>A) Present Value of Defined Benefit Obligation</b>		
- Funded	2.25	0.25
Less: Fair Value of Plan Assets	2.25	0.25
Unrecognised Past Service Costs	0.00	0.00
Present value of unfunded obligations	(-)0.04	0.09
Amount to be recognised as liability / (Asset)	(-)0.04	0.09
<b>B) Amount Reflected in the Balance Sheet</b>		
Liabilities	0.00	0.09
Assets	(-)0.04	0.00
<b>Net Liability/(Asset)</b>	<b>(-)0.04</b>	<b>0.09</b>

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

Particulars	Gratuity Plan	Leave Encashment
1. Current Service Cost	0.18	0.08
2. Interest cost	0.17	0.03
3. Expected return on plan assets	(-)0.18	0.00
4. Net Actuarial Losses (Gains) recognised in year	0.03	(-)0.02
5. Past service cost	0.00	0.00
6. Losses (gains) on curtailments and settlement	0.00	0.00
Total Included in 'Employee's expense'	0.20	0.09
Actual return on plan assets	0.17	0.00

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

Particulars	Gratuity Plan(%)	Leave Encashment(%)
Government of India Securities	0.00	0.00
High quality corporate bonds	0.00	0.00
Equity shares of listed companies	0.00	0.00
Property	0.00	0.00
Insurance company	100.00	100.00

(f) Principal actuarial assumptions at the Balance Sheet date, (expressed as weighted averages)

Particulars	Gratuity Plan(%)	Leave Encashment(%)
Discount rate	8.50	8.50
Expected return on plan assets	9.00	9.00
Proportion of employees opting for early retirement/Attrition rate	-	-
Annual increase in salary costs	7.00	7.00

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

(g) Amount pertaining to defined benefits plans are as follows

Particulars	Gratuity Plan	Leave Encashment
Defined benefit obligation	2.21	0.34
Plan assets	2.25	0.25
Surplus / (Deficit)	0.04	(-)0.09
Experience adjustment on plan Liabilities	0.00	0.00
Experience adjustment on plan Assets	0.00	0.00

Notes :

i) No corresponding figures for the previous year are presented as the company has adopted AS-15 (Revised), effective 01.04.2007.

ii) The company provides retirement benefits in the form of Provident Fund, Gratuity and Leave Encashment. Provident fund contributions made to "Government Administrated Provident Fund"



## GUJARAT AMBUJA EXPORTS LIMITED

are treated as defined contribution plan since the company has no further obligations beyond its monthly contributions. Gratuity and Leave Encashment are treated as defined benefit plan, and are administrated by making contributions to Group Gratuity Scheme of Life Insurance Corporation of India. Sick leave is considered as defined benefit plan and remains unfunded.

### 10. 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

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

Transaction	Total	Subsidiary	Key Managerial Person	Relative of Key Managerial Person
(a) Sale of Goods	-	-	-	-
(b) Sale of Fixed Assets	P.Y. (0.07) 0.18	(0.07)	(-)	(-)
(c) Managerial Remuneration	P.Y. (-) 7.44	(-)	(0.47)	(-)
(d) Services : Sitting Fees	P.Y. (0.47) 0.01	(-)	(-)	(-)
(e) Dividend paid	P.Y. (0.01) 6.68	(-)	(-)	(0.01)
(f) Advance Received	P.Y. (2.11) 0.10	(-)	(1.75)	(0.36)
<b>Balance Outstanding as at 31.03.2008</b>				
Amount Payable	P.Y. (-) 0.10	(-)	(-)	(-)

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.

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

	2007-08	2006-07
Subsidiary Company Gujarat Ambuja International Pte.Ltd	Nil	Nil
Maximum amount due during the year	Nil	Nil

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

PARTICULARS	2007-08	2006-07
Net Profit as per Profit & Loss Account	71.25	46.75
No. of Weighted Average outstanding Equity Shares	138815311	139318490
Earning per Equity Share of Rs 2/- each (Basic & Diluted)	5.13	3.36

Weighted average outstanding equity shares have been computed after considering buyback during the year

### II.(a) QUANTITATIVE INFORMATION

ITEM	Unit	Opening Stock		Production	Purchase		Captive consumption	Sales		Closing Stock	
		QTY.	RS.		QTY.	RS.		QTY.	RS.	QTY.	RS.
<b>(A) AGRO PROCESSING DIVISION</b>											
1. Food Products	M.T	21725 (19213)	66.06 (60.63)	196262 (152262)	12083 (895)	62.55 (12.32)	706 (1065)	206428 (149580)	870.96 (541.26)	22936 (21725)	103.69 (66.06)
2. Chemicals & Allied Products	M.T	3486 (1523)	5.20 (1.77)	65826 (63641)	0 (0)	0.00 (0.00)	31315 (32405)	34374 (29273)	45.60 (40.01)	3623 (3486)	4.79 (5.20)
3. Extractions & Derivatives		24525 (6790)	25.22 (5.76)	514511 (463870)	18450 (231681)	28.38 (216.01)	0.00 (448)	533508 (677368)	740.41 (637.80)	23978 (24525)	37.18 (25.22)
<b>(B) COTTON YARN DIVISION</b>											
1. Cotton Yarn	M.T	231 (115)	2.21 (0.97)	15297 (15388)	0 (0)	0.00 (0.00)	0 (0)	14706 (15272)	146.97 (159.37)	822 (231)	8.20 (2.21)
2. Others		0 (0)	0.13 (0.22)	0 (0)	0 (0)	0.00 (0.00)	0 (0)	0 (0)	19.68 (17.55)	0 (0)	0.39 (0.13)
<b>(C) WINDMILL DIVISION</b>											
1. Power Generation unit	Unit	0 (0)	0.00 (0.00)	10921436 (8497331)	0 (0)	0.00 (0)	0 (0)	10921436 (8157438)	5.47 (4.25)	0 (0)	0.00 (0.00)
<b>Total</b>			98.82			90.93			1829.09		154.25
Previous Year			(69.35)			(228.33)			(1400.24)		(98.82)

Note : 1. The figures of previous year are shown in brackets. 2. Actual production includes quantities for captive consumption. 3. Agro Processing Division production does not include 32165 MT (Previous year 31897 MT) processed for outsiders.

13. Particulars of Derivative Instruments :

a) Derivative contracts entered into by the company and outstanding as on 31st March, 2008:

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

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	NOS.	AMOUNT	NOS.	AMOUNT
1. No of Buy USD MN put Amount INR Crs. OR No of Sell USD MN Call Amount INR Crs.	3	39.00 168.27	5	15.00 66.98
2. No of Buy USD MN Call Amount INR Crs. OR No of Buy USD MN Call Amount INR Crs. OR No of Sell USD MN Call Amount INR Crs.	3	79.00 336.54 0.00 0.00	5	16.87 78.62 6.75 30.44
3. No of CHFUSD MN interest swap Amount INR Crs.		0.00 0.00	7	7.00 32.90
		0.00	6	15.00
		0.00	5	52.45

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

iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2008; USD 30.57 MN equal to Rs. 121.38 Crores (Previous year USD 4.66 MN equal to Rs. 20.96 Crores) Euro 1.38 MN equal to Rs. 8.51 Crores (Previous year Euro 1.10 MN equal to Rs. 7.05 Crores) CHF 0.21 MN equal to Rs. 0.80 Crores (Previous year CHF Nil)

Note: USD = US Dollar; CHF = Swiss Franc

b) In respect of all outstanding derivative contracts at the balance sheet date by marking them to market shows net loss of Rs. 1.50 Crores which has been provided for.

c) For hedging Commodity Risks

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

14. Exchange gain /(loss) in respect of forward exchange contracts to be recognized in the Profit and Loss Account of subsequent accounting period aggregate to Rs. (2.66 Crores) (Previous year gain of Rs. 3.15 Crores)

15. Additional Information pursuant to provisions of paragraph 3.4C & 4D of the part II of schedule VI to the Companies Act, 1956.

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

PARTICULARS	Unit	2007-08	2006-07
<b>Agro Processing Division</b>			
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	355000	175000
E Wheat Products Installed Capacity	TPA	112500	112500
<b>Cotton Yarn Division</b>			
F 100% E.O.U. Cotton Spinning Unit - Ring Spun Yarn	TPD	44	44
<b>Windmill Division</b>			
G Power Generation Unit (Wind Mills)	MW	6.95	6.95

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

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

II. (b) MATERIALS CONSUMED

ITEMS	2007-08		2006-07	
	Qty. (M.T.)	Amount	Qty. (M.T.)	Amount
Agro Products	783390	1274.58	680835	801.41
Cotton & Cotton Yarn	19848	96.49	20030	97.17
Total	803238	1371.07	700865	898.58

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

PARTICULARS	2007-08		2006-2007	
	Amount	%	Amount	%
<b>(A) RAW MATERIALS</b>				
Imported	253.13	18.46	87.87	9.78
Indigenous	1117.94	81.54	810.71	90.22
Total	1371.07	100.00	898.58	100.00
<b>(B) STORES, SPARES &amp; COMPONENTS</b>				
Imported	2.79	18.28	0.78	11.71
Indigenous	12.47	81.72	5.92	88.29
Total	15.26	100.00	6.70	100.00

17. Value of Imports on CIF basis during the year

PARTICULARS	2007-08 Amount	2006-07 Amount
Capital Goods	3.90	3.95
Goods	256.18	77.14
Stores & Components	2.79	7.85

18. Earnings in Foreign currency during the year

PARTICULARS	2007-08 Amount	2006-07 Amount
FOB Value of Export Sales	892.19	510.97

19. Expenditure in foreign currency during the year

PARTICULARS	2007-08 Amount	2006-07 Amount
Consumables	23.73	27.96
Bank Charges, Foreign Travelling etc.	6.19	0.70
Overseas Commission	1.20	0.30
Membership fees, Books & Periodicals	0.01	0.05
Others	1.00	1.72

Note : There are no foreign remittances towards dividend.

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

21. Segment Information for the year ended 31st March 2008

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.

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

I. REGISTRATION DETAILS

Regn.No 16151 of 1991-92 State Code: 04 Balance Sheet Date: 31.03.2008

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 (Rs. In '000)

Total Liabilities 9220081 Total Assets 9220081

SOURCES OF FUNDS

Paid up Capital 276704 Reserves & Surplus 3306704  
 Secured Loans 5139471 Unsecured Loans 11465  
 Deferred tax Liability (Net) 485737

APPLICATION OF FUNDS

Net Fixed Assets 2672963 Investment 265714  
 Net Current Assets 6281404 Misc. Expenditure Nil  
 Accumulated Losses Nil

IV. PERFORMANCE OF THE COMPANY

Turnover & Other Income 18311750 Total Expenditure 17216609  
 Profit/Loss before tax 1095141 Profit/Loss after Tax 712586  
 Earning per share in Rs. 5.13 Dividend Rate % 40.00  
 Dividend per Share Rs. 0.80

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

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

FOR, KANTILAL PATEL & CO. CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors  
**VIJAYKUMAR GUPTA**  
 (CHAIRMAN & MANAGING DIRECTOR)

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

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

**SANJAY S. MANIAR**  
 (COMPANY SECRETARY)

PLACE : AHMEDABAD  
 Date : JULY 29, 2008

**ARPIT K. PATEL**  
 (PARTNER)

PLACE : AHMEDABAD  
 Date : JULY 29, 2008

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 31 MARCH 2008.

1. Directors

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

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	33,862,865
VIJAY KUMAR GUPTA	39,758,475	38,958,475
GUPTASHILPA	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.

INDIA,

Date : 16<sup>th</sup> JULY, 2008

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

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes thereon, are drawn up in accordance with and comply with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2008 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.

INDIA,

Date : 16<sup>th</sup> JULY, 2008

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

AUDITORS' REPORT

To the members of

Gujarat Ambuja International Pte. Ltd.

1. We have performed the procedures as enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of **Gujarat Ambuja International Pte. Limited** as at 31<sup>st</sup> March, 2008, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on the date. Our engagement was undertaken in accordance with the Auditing and Assurance Standard on Engagements to Perform Agreed-Upon Procedures regarding Financial Information, issued by the Institute of Chartered Accountants of India. In performing the procedures, we have relied upon the financial statements in US Dollar ("USD") originally audited by the Statutory Auditors of the Company.

2. The financial statements in US Dollar ("USD") originally audited by the statutory auditors of the Company are for the year ended 31<sup>st</sup> March, 2008.

3. The financial statements in Indian Rupee ("INR") currency have been prepared by the Company's management on the basis stated below and reformatted in accordance with the requirements of the Companies Act, 1956. The said financial statements have been approved by the Board of Directors.

- All income and expenses at the average rate of exchange prevailing during the year.
- Assets and Liabilities at the closing rate on the Balance Sheet date.
- Share Capital at historical rate.
- The resulting exchange difference in the Balance Sheet is accumulated in 'Foreign Currency / Translation Reserve'

4. In relation to the financial statements prepared by the management, the following procedures were performed by us :

- Reviewing the translation of the audited financial statements from USD into INR on the basis stated in the foregoing paragraphs; and
- Reviewing the reformatting of the audited financial statements as per the requirements of The Companies Act, 1956.

5. We report that the financial statements as audited in USD by the statutory auditors have been translated in INR on the basis stated in paragraph 3 above and such translated financial statements are presented in accordance with the requirements of the Companies Act, 1956.

6. The above procedure does not constitute an audit and accordingly, we do not express any opinion on the financial statements.

7. This report is issued solely for the purpose of consolidation by the holding company, **Gujarat Ambuja Exports Limited** and to comply with the provisions of the Companies Act, 1956.

For KANTILAL PATEL & CO.,  
 CHARTERED ACCOUNTANTS  
**ARPIT K. PATEL**  
 (Partner)  
 Membership No. 34032

Place: Ahmedabad  
 Date: JULY 29, 2008





**GUJARAT AMBUJA EXPORTS LIMITED**

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

**BALANCE SHEET AS AT 31st MARCH 2008**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008**

PARTICULARS	SCH-EDULE	AS AT 31.03.2008		AS AT 31.03.2007	
		USD	RS. IN	USD	RS. IN
		CRORES		CRORES	
<b>(A) SOURCES OF FUNDS</b>					
<b>1 SHARE HOLDERS' FUND</b>					
Share Capital	A	528695	1.99	528695	1.99
Reserves & Surplus	B	29601	0.24	(-)16307	0.22
		<u>558296</u>	<u>2.23</u>	<u>512388</u>	<u>2.21</u>
<b>2 LOAN FUNDS</b>					
Secured Loans		0	0.00	0	0.00
Unsecured Loans		0	0.00	0	0.00
		<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
<b>3 DEFERRED TAX LIABILITY</b>					
Deferred tax liability		0	0.00	0	0.00
Deferred tax assets		(-) 0	(-)0.00	(-) 0	(-)0.00
		<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
<b>TOTAL-</b>		<u>558296</u>	<u>2.23</u>	<u>512388</u>	<u>2.21</u>
<b>(B) APPLICATION OF FUNDS</b>					
<b>1 FIXED ASSETS</b>					
Gross Block	C	17615	0.07	16958	0.07
Less : Depreciation		17101	0.07	16433	0.07
		<u>514</u>	<u>0.00</u>	<u>525</u>	<u>0.00</u>
Net Block		514	0.00	525	0.00
Add : Capital work in Progress		0	0.00	0	0.00
		<u>514</u>	<u>0.00</u>	<u>525</u>	<u>0.00</u>
<b>2 INVESTMENTS</b>					
	D	337627	1.35	337627	1.46
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	E	0	0.00	0	0.00
Sundry Debtors		419	0.00	122443	0.53
Cash & Bank Balances		188237	0.75	169260	0.73
Loans & Advances		39195	0.16	1830	0.01
		<u>227851</u>	<u>0.91</u>	<u>293533</u>	<u>1.27</u>
Sub Total (i)		227851	0.91	293533	1.27
Less : Current Liabilities	F	3877	0.01	118955	0.52
Provisions	G	3819	0.02	342	0.00
		<u>7696</u>	<u>0.03</u>	<u>119297</u>	<u>0.52</u>
Sub Total (ii)		7696	0.03	119297	0.52
<b>Net Current Assets (i - ii)</b>		<u>220155</u>	<u>0.88</u>	<u>174236</u>	<u>0.75</u>
<b>TOTAL-</b>		<u>558296</u>	<u>2.23</u>	<u>512388</u>	<u>2.21</u>
<b>Significant Accounting Policies &amp; Notes forming part of Accounts</b>	N				

PARTICULARS	SCH-EDULE	YR. ENDED 31.03.2008		YR. ENDED 31.03.2007	
		USD	RS. IN	USD	RS. IN
		CRORES		CRORES	
<b>(A) INCOME</b>					
Sales	H	3992959	15.97	3082080	13.50
Less : Excise Duty		0	0.00	0	0.00
		<u>3992959</u>	<u>15.97</u>	<u>3082080</u>	<u>13.50</u>
Net Sales		3992959	15.97	3082080	13.50
Other Income	I	4500	0.02	0	0.00
		<u>3997459</u>	<u>15.99</u>	<u>3082080</u>	<u>13.50</u>
<b>TOTAL - "A"</b>		<u>3997459</u>	<u>15.99</u>	<u>3082080</u>	<u>13.50</u>
<b>(B) EXPENDITURE</b>					
Cost of Goods Sold	J	3812826	15.25	2942566	12.89
Employees' Cost	K	93648	0.38	85221	0.38
Administrative Expenses	L	34623	0.14	23478	0.10
Finance & Other Charges	M	8409	0.03	23715	0.10
Depreciation		668	0.00	449	0.00
[(Rs.26721/-) (P.Y.Rs.19662/-)]					
		<u>47285</u>	<u>0.19</u>	<u>6651</u>	<u>0.03</u>
<b>TOTAL - "B"</b>		<u>3950174</u>	<u>15.80</u>	<u>3075429</u>	<u>13.47</u>
<b>Profit before Tax (A-B)</b>		<u>47285</u>	<u>0.19</u>	<u>6651</u>	<u>0.03</u>
Provision for Taxation					
Current tax		3819	0.02	342	0.00
Short/(excess)Provision of Income Tax					
[(Rs.(-) 97684/-) (P.Y.Rs.1576/-)]		(-)2442	(-)0.01	36	0.00
Deferred tax		0	0.00	0	0.00
		<u>45908</u>	<u>0.18</u>	<u>6273</u>	<u>0.03</u>
<b>Profit after Tax</b>		<u>45908</u>	<u>0.18</u>	<u>6273</u>	<u>0.03</u>
Add: Balance of Profit/(Loss) from Previous Year		(-)16307	(-)0.07	(-)22580	(-)0.10
		<u>29601</u>	<u>0.11</u>	<u>(-)16307</u>	<u>(-)0.07</u>
<b>Profit/(Loss) available for appropriation</b>		<u>29601</u>	<u>0.11</u>	<u>(-)16307</u>	<u>(-)0.07</u>
<b>APPROPRIATION</b>					
Balance carried to Balance Sheet		29601	0.11	(-)16307	(-)0.07
		<u>29601</u>	<u>0.11</u>	<u>(-)16307</u>	<u>(-)0.07</u>
<b>TOTAL</b>		<u>29601</u>	<u>0.11</u>	<u>(-)16307</u>	<u>(-)0.07</u>
Earning per Ordinary Share of S\$ 1/- each (Basic & Diluted) (in Rs.)			2.15		0.32
<b>Significant Accounting Policies &amp; Notes forming part of Accounts</b>	N				

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

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

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

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

**ARPIT K. PATEL**  
(PARTNER)

**MANISH GUPTA**  
(DIRECTOR)

**ARPIT K. PATEL**  
(PARTNER)

**MANISH GUPTA**  
(DIRECTOR)

Place : Ahmedabad  
Date : JULY 29, 2008

Place : Ahmedabad  
Date : JULY 29, 2008

Place : Ahmedabad  
Date : JULY 29, 2008

Place : Ahmedabad  
Date : JULY 29, 2008

**Gujarat Ambuja International Pte. Ltd. (Incorporated in Singapore)**  
**Schedules to the Balance Sheet as at 31st March, 2008**

PARTICULARS	AS AT 31.03.2008		AS AT 31.03.2007	
	USD	RS. IN	USD	RS. IN
	CRORES		CRORES	
<b>SCHEDULE "A" SHARE CAPITAL</b>				
<b>Authorised</b> 1000000 (P.Y.1000000) Ordinary shares of S\$ 1/- each converted in Indian Rupee at the Balance Sheet Date	1000000	2.33	1000000	2.33
	<u>1000000</u>	<u>2.33</u>	<u>1000000</u>	<u>2.33</u>
<b>Issued,Subscribed and Paid Up Capital</b> 854212 (P.Y.854212) Ordinary Shares of S \$ 1/- each fully paid converted in Indian Rupees	528695	1.99	528695	1.99
	<u>528695</u>	<u>1.99</u>	<u>528695</u>	<u>1.99</u>

PARTICULARS	AS AT 31.03.2008		AS AT 31.03.2007	
	USD	RS. IN	USD	RS. IN
	CRORES		CRORES	
<b>SCHEDULE "B" RESERVE &amp; SURPLUS</b>				
<b>Translation Reserve</b>				
As per last account	0	0.29	0	0.36
Add : Additions / Adjustments during the year	0	(-0.16)	0	(-0.07)
	<u>0</u>	<u>0.13</u>	<u>0</u>	<u>0.29</u>
<b>Exchange Reserve</b>				
As per last account (Rs.(-)13512/-)(P.Y. Rs.(-)40096/-)	0	0.00	0	0.00
Add : Additions / Adjustments during the year (Rs.51061/-)(P.Y. Rs.26584/-)	0	0.00	0	0.00
	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
<b>Profit and Loss Account</b>	29601	0.11	(-16307)	(-0.07)
	<u>29601</u>	<u>0.24</u>	<u>(-16307)</u>	<u>0.22</u>

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

Sr. No.	Particulars	Gross Block					Depreciation					Net Block	
		As At 01.04.07	Additions during the year	Deductions during the year	Exchange Impact on Translation	Total As At 31.03.08	As At 01.04.07	For the year	Deductions during the year	Exchange Impact on Translation	Total As At 31.03.08	As At 31.03.08	As At 31.03.07
1	Furniture & Fixtures	0.04	0.00 (Rs.26293/-)	0.00 0.00	0.00 (Rs.29651/-)	0.04	0.04	0.00 (Rs.8800/-)	0.00 0.00	0.00 (Rs.29644/-)	0.04	0.00 (Rs.17529/-)	0.00 (Rs.43/-)
2	Office Equipments	0.03	0.00 0.00	0.00 0.00	0.00 (Rs.22580/-)	0.03	0.03	0.00 (Rs.17921/-)	0.00 0.00	0.00 (Rs. 20957/-)	0.03	0.00 (Rs.3041/-)	0.00 (Rs.22585/-)
	<b>TOTAL</b>	<b>0.07</b>	<b>0.00</b> <b>(Rs.26293/-)</b>	<b>0.00</b> <b>0.00</b>	<b>0.00</b> <b>(Rs.52231/-)</b>	<b>0.07</b>	<b>0.07</b>	<b>0.00</b> <b>(Rs.26721/-)</b>	<b>0.00</b> <b>0.00</b>	<b>0.00</b> <b>(Rs.50601/-)</b>	<b>0.07</b>	<b>0.00</b> <b>(Rs.20570/-)</b>	<b>0.00</b> <b>(Rs.22628/-)</b>
	Previous year	0.10	0.00 (Rs.9583/-)	0.03 0.00	0.00 (Rs.13319/-)	0.07	0.10	0.00 (Rs.19662/-)	0.03 0.00	0.00 (Rs.13319/-)	0.07	0.00 (Rs.22628/-)	0.00 (Rs.33449/-)

Note : Figures in bracket are amount in Rupees.

PARTICULARS	AS AT 31.03.2008		AS AT 31.03.2007	
	USD	RS. IN	USD	RS. IN
	CRORES		CRORES	
<b>SCHEDULE "D" INVESTMENTS</b>				
<b>UNQUOTED LONG TERM INVESTMENTS (AT COST)</b> 300000 (P.Y.300000) Equity Shares of INR Rs.10/- of Jupiter Corporate Services Ltd.	337627	1.35	337627	1.46
	<u>337627</u>	<u>1.35</u>	<u>337627</u>	<u>1.46</u>
<b>SCHEDULE "E" CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>(A) Current Assets</b>				
<b>1 Inventories</b> (As taken,Valued & Certified by the management) Finished Goods	0	0.00	0	0.00
	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>2 Sundry Debtors</b> (Unsecured,Considered Good) Outstanding for a period exceeding six months Others	0 419	0.00 0.00	0 122443	0.00 0.53
	<u>419</u>	<u>0.00</u>	<u>122443</u>	<u>0.53</u>

PARTICULARS	AS AT 31.03.2008		AS AT 31.03.2007	
	USD	RS. IN	USD	RS. IN
	CRORES		CRORES	
<b>SCHEDULE "E" CURRENT ASSETS, LOANS AND ADVANCES (Contd.)</b>				
<b>3 Cash &amp; Bank Balances</b>				
Cash on Hand [(Rs.520/-) (P.Y.Rs.3491/-) ]	13	0.00	81	0.00
Balance with Banks				
(a) on Current account	79793	0.32	67376	0.29
(b) on Fixed Deposit account	108431	0.43	101803	0.44
	<u>188237</u>	<u>0.75</u>	<u>169260</u>	<u>0.73</u>
<b>4 Loans &amp; Advance</b> (Unsecured,Considered Good) Advances recoverable from Holding Company Advances recoverable in cash or in kind or for value to be received	25000 14195	0.10 0.06	0 1830	0.00 0.01
	<u>39195</u>	<u>0.16</u>	<u>1830</u>	<u>0.01</u>
<b>SCHEDULE "F" CURRENT LIABILITIES</b>				
Creditors for Goods & Expenses & other Liabilities	3877	0.01	118955	0.52
	<u>3877</u>	<u>0.01</u>	<u>118955</u>	<u>0.52</u>
<b>SCHEDULE "G" PROVISIONS FOR TAXATION</b>				
Current Tax (Rs.152836/-) ( P.Y. Rs.14740/-)	3819	0.02	342	0.00
	<u>3819</u>	<u>0.02</u>	<u>342</u>	<u>0.00</u>

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	YR. ENDED 31.03.2008		YR. ENDED 31.03.2007	
	USD	RS. IN	USD	RS. IN
	CRORES		CRORES	
<b>SCHEDULE "H" SALES</b>				
Sales	3992959	15.97	3082080	13.50
	<u>3992959</u>	<u>15.97</u>	<u>3082080</u>	<u>13.50</u>
<b>SCHEDULE "I" OTHER INCOME</b>				
Miscellaneous Income	4500	0.02	0	0.00
	<u>4500</u>	<u>0.02</u>	<u>0</u>	<u>0.00</u>
<b>SCHEDULE "J" COST OF GOODS SOLD</b>				
Opening Stock				
Finished Goods	0	0.00	0	0.00
Add : Materials Purchased / acquired	3812826	15.25	2942566	12.89
	<u>3812826</u>	<u>15.25</u>	<u>2942566</u>	<u>12.89</u>
Less : Closing Stock				
Finished Goods	0	0.00	0	0.00
	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
<b>Total Cost of Goods Sold</b>	<b>3812826</b>	<b>15.25</b>	<b>2942566</b>	<b>12.89</b>
<b>SCHEDULE "K" EMPLOYEES COST</b>				
Salary,Wages & Bonus	89699	0.36	82285	0.37
Contribution to Provident Fund & Other Funds	3913	0.02	2936	0.01
Employees Welfare [ (Rs.1440/-) (P.Y.Rs.Nil) ]	36	0.00	0	0.00
	<u>93648</u>	<u>0.38</u>	<u>85221</u>	<u>0.38</u>

PARTICULARS	YR. ENDED 31.03.2008		YR. ENDED 31.03.2007	
	USD	RS. IN	USD	RS. IN
	CRORES		CRORES	
<b>SCHEDULE "L" ADMINISTRATIVE EXPENSES</b>				
Conveyance & Travelling Expenses [(Rs.7800/-) (P.Y.Rs.4379/-) ]	195	0.00	100	0.00
Electricity Expenses [(Rs.10280/-) (P.Y.Rs.11736/-)]	257	0.00	268	0.00
Insurance Expenses [(Rs.4840/-) (P.Y.Rs.4948/-)]	121	0.00	113	0.00
Printing,Stationery,Postage & Telephone	3753	0.02	5446	0.02
Legal & Professional Expenses [(Rs.58322/-) (P.Y.Rs.18655/-)]	1458	0.00	426	0.00
Rent	18869	0.08	10681	0.05
Foreign Exchange Fluctuation [(Rs.7800/-) (P.Y.Rs.Nil)]	195	0.00	0	0.00
Payment to Auditors : For Audit Fees	2201	0.01	1672	0.01
General Administrative Charges	7574	0.03	4772	0.02
	<u>34623</u>	<u>0.14</u>	<u>23478</u>	<u>0.10</u>
<b>SCHEDULE "M" FINANCE &amp; OTHER CHARGES</b>				
Interest on Working Capital Loans	2640	0.01	4581	0.02
Bank and Other Financial Charges	12630	0.05	23873	0.10
	<u>15270</u>	<u>0.06</u>	<u>28454</u>	<u>0.12</u>
<b>LESS : INCOME</b>				
Interest on Bank Deposits	6861	0.03	4739	0.02
	<u>6861</u>	<u>0.03</u>	<u>4739</u>	<u>0.02</u>
<b>Net Finance &amp; Other Charges</b>	<b>8409</b>	<b>0.03</b>	<b>23715</b>	<b>0.10</b>



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

**SCHEDULE : N  
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**

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

**1) GENERAL INFORMATION**

The financial statements of the company for the year ended 31 MARCH 2008 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

The Financial Statements of Gujarat Ambuja International Pte Ltd. for the accounting year 31<sup>st</sup> March 2008, being a company registered in the Republic of Singapore, are audited by **MGI N RAJAN ASSOCIATES, Certified Public Accountants, Singapore.**

The Financial Statements of Gujarat Ambuja International Pte Ltd. are duly converted in Indian Rupees, on the basis of aforesaid audited financial statements to comply with the requirements of Section 212 of the Companies Act,1956.

The accounts have been prepared for the purpose of attachment to the accounts of the holding Company to comply with the Provisions of the Indian Companies Act,1956

The principal activities of the company are to carry on the business of importers & exporters, Purchasing agents and representative for all general merchandise.

The company's registered office & principal place of business address is at 101 Cecil Street, # 11-11,Tong Eng Building, Singapore 069533.

The Company had employed "1" (2007:1) employee as at 31 MARCH 2008.

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with FRS requires using of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current event and actions, actual results may ultimately differ from those estimates.

**b) Property, plant & equipment & depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses; if any.

Depreciation is calculated on the straight-line basis to write off the cost of these assets over their estimated useful lives as follows:-

Furniture and Fittings	33 1/3 %
Office Equipment	33 1/3 %

Full depreciation is provided in the year of the purchase and no depreciation is provided in the year of disposal.

**c) Revenue recognition**

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

Revenue from interest on fixed deposit is recognised on accrual basis.

**d) Income taxes**

The liability method of tax effect accounting is adopted by the company. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax.

Deferred taxation is provided at the current taxation rate on all temporary differences existing at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset relating to the deductible temporary differences arises from goodwill or the initial recognition of an asset or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.)

The statutory tax rates enacted the Balance Sheet date are used to determine deferred income tax.

**e) Impairment of assets**

The carrying amounts of the assets, other than inventories, are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit recoverable amount. All impairment losses are recognised in the profit and loss account. Recoverable amount is defined as the higher of value in use and net selling price.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

**f) Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

**Transactions and balances**

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except for currency translation differences on net investment in foreign entities and borrowings and other currency instruments qualifying as net investment hedges for foreign operations in the consolidated financial statements.

Currency translation differences on monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items such as equity investments classified as available-for-sale financial assets, are included in the fair value reserve within equity.

i) Assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of the Balance Sheet;

ii) Income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

**g ) Cash and cash equivalents**

Cash and cash equivalents comprise cash balance and bank deposits.

**h) Employment leave entitlement**

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

**i) Receivables**

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

**j) Payables**

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

**k) Employee benefits**

**Pension obligations**

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

**l) Provisions**

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

**m) Financial instruments**

Financial instruments carried on the Balance Sheet include cash and cash equivalents, investments, trade receivables and payables, other payables and receivables, finance leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management are provided in Note 8.

**n) Share capital**

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

**3(a) CONVERSION TO INDIAN RUPEES**

For the purpose of accounts, operations being non intigral , all income and expense items are converted at the average rate of exchange applicable for the year. All assets and Liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is debited or credited to "Exchange Reserve".

The share capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation of share capital at year end rate is transferred to "Translation Reserve" account and the said account is being treated as "Reserve and Surplus"

**(b)(i) Disclosure as per schedule VI of the Companies Act,1956**

The Balance Sheet and Profit and Loss account have been disclosed as per requirements of part I and Part II to Schedule VI of the Companies Act,1956.

(ii) The other disclosures made in this financial statements are as made in the audited financial statement as audited by the Auditors of the company as per the requirements of the Singapore Companies Act, Cap.50 and Singapore Financial Reporting Standards.

**4. TAXATION**

	2008 US\$	2008 Rs.inCr.	2007US\$	2007 Rs.inCr.
Balance brought forward (Rs.14740/-)	342	0.00	0	0.00
Overprovision for income tax (Rs.-)14740/-)	(-342)	0.00	0	0.00
Current year provision	3,819	0.02	342	0.00
(Rs.152766/-) (P.Y. Rs. 14740/-)				
Total (Rs.152766/-) (P.Y. Rs. 14740/-)	3,819	0.02	342	0.00

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:

	2008 US\$	2008 Rs.inCr.	2007US\$	2007 Rs.inCr.
Profit before taxation	47,285	0.19	6,651	0.03
Tax at statutory rate of 18%(2007:20%)	8,529	0.04	1,330	0.01
Others (Rs. (-)9645/-)(P.Y. Rs.1638/-)	(-241)	0.00	38	0.00
Singapore statutory stepped income exemption	(-4,469)	(-)0.02	(-)1,026	(-) 0.01
Net income tax expenses/(benefit)	3,819	0.02	342	0.00
[(Rs.152766/-)(P.Y. Rs. 14740/-)]				

**5. DEFERRED TAXATION**

There are no elements of Deferred Tax Liability or Assets.

**6. DUE TO A DIRECTOR**

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

**7. FIXED DEPOSIT**

These are under lien to the bank for credit facilities availed. The effective interest rate is charged at 5.35%. The maturity date is 11 August 2008.

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

**8. FINANCIAL RISK MANAGEMENT**

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

**a) Price risk**

**i) Currency risk**

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

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

**(ii) Interest rate risk**

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

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

**(iii) Market risk**

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

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

**(b) Credit risk**

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

The company has no significant concentrations of credit risk.

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

**(c) Liquidity risk**

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

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

**(d) Cash flow risk**

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

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

**9. FINANCIAL INSTRUMENTS**

Fair value

The carrying amounts of the financial assets and financial liabilities as reflected in the Balance Sheet approximate to their fair value. Information on the fair values of borrowing, interest rate and foreign currency exchange is included in Note 8.

**10. 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:-

	2008 US\$	2008 Rs.inCr.	2007US\$	2007 Rs.inCr.
Purchases from holding company	0	0.00	14,878	0.07
Amount Receivable as at 31 <sup>st</sup> March 2008	25000	0.10	0	0.00

**11. LEASE COMMITMENTS**

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

	2008 US\$	2008 Rs.inCr.	2007US\$	2007 Rs.inCr.
Payable within 1 year	21,648	0.09	18,324	0.08
Payable after 1 year	3,609	0.02	22,954	0.10

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

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

**ARPIT K. PATEL**  
(PARTNER)

**MANISH GUPTA**  
(DIRECTOR)

Place : Ahmedabad  
Date : JULY 29, 2008

Place : Ahmedabad  
Date : JULY 29, 2008

**GUJARAT AMBUJA INTERNATIONAL PTE LTD**

(Incorporated in the Republic of Singapore)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	YR. ENDED 31.03.2008		YR. ENDED 31.03.2007	
	USD	RS. IN	USD	RS. IN
	CRORES		CRORES	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS	47285	0.19	6651	0.03
ADJUSTMENTS FOR				
Depreciation [Rs.26721/- (P.Y. Rs.19662/-)]	668	0.00	449	0.00
Interest Paid	15270	0.06	28454	0.12
Interest Received	(-6861)	(-0.03)	(-4739)	(-0.02)
	9077	0.03	24164	0.10
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	56362	0.22	30815	0.13
ADJUSTMENTS FOR				
Trade and other Receivables	84659	0.37	739393	3.30
Inventories	0	0.00	0	0.00
Trade Payables	(-115078)	(-0.49)	(-796920)	(-3.55)
	(-30419)	(-0.12)	(-57527)	(-0.25)
<b>CASH GENERATED FROM OPERATIONS</b>	25943	0.10	(-26712)	(-0.12)
CASH FLOW BEFORE EXTRAORDINARY ITEMS				
EXTRAORDINARY ITEMS				
Tax Paid / (Received)	2100	0.01	(-1958)	(-0.01)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	28043	0.11	(-28670)	(-0.13)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets [Rs. 26293/- (P.Y. Rs. 9583/-)]	(-657)	0.00	(-222)	0.00
Interest Received	6861	0.03	4739	0.02
<b>NET CASH GENERATED IN INVESTING ACTIVITIES</b>	6204	0.03	4517	0.02
	34247	0.14	(-24153)	(-0.11)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	(-15270)	(-0.06)	(-28454)	(-0.12)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(-15270)	(-0.06)	(-28454)	(-0.12)
<b>D. OTHERS</b>				
Adjustments - Reserves	0	(-0.06)	0	(-0.03)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	18977	0.02	(-52607)	(-0.26)
Cash & Cash Equivalents as at (Opening Balance) 1st APRIL	169260	0.73	221867	0.99
Cash & Cash Equivalents as at (Closing Balance) 31st MARCH	188237	0.75	169260	0.73
	18977	0.02	(-52607)	(-0.26)

1 Cash and cash equivalents include

	YR. ENDED 31.03.2008		YR. ENDED 31.03.2007	
	USD	RS. IN	USD	RS. IN
	CRORES		CRORES	
Cash in hand (including cheques on hand) [Rs.520/- (P.Y.Rs.3491/-)]	13	0.00	81	0.00
With Scheduled Banks on Current Accounts	79793	0.32	67376	0.29
Short term Deposits (Under lien with bank)	108431	0.43	101803	0.44
	188237	0.75	169260	0.73

2 The above Cash flow statement has been prepared by the Indirect Method as set out in the Accounting Standard (AS-3) on Cash Flow statement issued by the Institute of Chartered Accountants of India.

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

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

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

**ARPIT K. PATEL**  
(PARTNER)

**MANISH GUPTA**  
(DIRECTOR)

Place : Ahmedabad  
Date : JULY 29, 2008

Place : Ahmedabad  
Date : JULY 29, 2008



# 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 **31<sup>st</sup> March 2008**, the Consolidated Profit & Loss and the consolidated Cash Flow statement for the year ended on that date. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statement are prepared, in all material respects in accordance with an identified financial reporting frameworks and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.
- We did not audit financial statements of a subsidiary, Gujarat Ambuja International Pte. Ltd., Singapore, whose financial statements reflect total assets (net) of **Rs.2.23 crores** as at 31<sup>st</sup> March,2008 and total revenues of **Rs.15.99 crores** for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information of the subsidiary have been audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of subsidiary, is based solely on the report of the other auditors.
- We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.
- On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid subsidiary, we are of the opinion that the said consolidated financial statements together with notes thereon, give true and fair view in conformity with the accounting principles generally accepted in India :
  - In the case of Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31<sup>st</sup>, March, 2008;
  - 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  
**ARPIT K. PATEL**  
 (PARTNER)  
 Membership No. 34032

PLACE : AHMEDABAD  
 Date : JULY 29, 2008

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2008

[Rupees in Crores]

PARTICULARS	SCHE- DULE	AS AT 31.03.2008	AS AT 31.03.2007
<b>(A) SOURCES OF FUNDS</b>			
<b>1 SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	A	27.67	27.86
(b) Reserves & Surplus	B	330.91	275.80
		<u>358.58</u>	<u>303.66</u>
<b>2 LOAN FUNDS</b>			
(a) Secured Loans	C	513.95	182.99
(b) Unsecured Loans	D	1.15	0.79
		<u>515.10</u>	<u>183.78</u>
<b>3 DEFERRED TAX LIABILITY</b>			
(a) Deferred tax liability		48.98	49.78
(b) Deferred tax asset		(-)0.41	(-)0.10
		<u>48.57</u>	<u>49.68</u>
<b>TOTAL</b>		<u>922.25</u>	<u>537.12</u>
<b>(B) APPLICATION OF FUNDS</b>			
<b>1 FIXED ASSETS</b>			
Gross Block	E	450.15	392.04
Less : Depreciation		188.26	157.19
Net Block		<u>261.89</u>	<u>234.85</u>
Add : Capital work in Progress		5.48	27.47
		<u>267.37</u>	<u>262.32</u>
<b>2 INVESTMENTS</b>			
	F	25.86	8.58
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(a) Inventories		461.28	217.07
(b) Sundry Debtors		91.85	67.21
(c) Cash & Bank Balances		142.23	15.76
(d) Other Current Assets		6.77	0.41
(e) Loans & Advances		57.63	9.96
<b>Sub Total (i)</b>		<u>759.76</u>	<u>310.41</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
(a) Current Liabilities	H	105.10	35.25
(b) Provisions	I	25.64	8.94
<b>Sub Total (ii)</b>		<u>130.74</u>	<u>44.19</u>
<b>Net Current Assets (i - ii)</b>		<u>629.02</u>	<u>266.22</u>
<b>TOTAL</b>		<u>922.25</u>	<u>537.12</u>
<b>Significant Accounting Policies</b>			
<b>Notes forming part of Financial Statements</b>			
This is the Balance Sheet referred to in our report of even date		For and on behalf of the Board of Directors	
FOR, KANTILAL PATEL & CO. CHARTERED ACCOUNTANTS		VIJAYKUMAR GUPTA (CHAIRMAN & MANAGING DIRECTOR) MANISH V.GUPTA (MANAGING DIRECTOR) N. GIRIDHAR (V. P. FINANCE & ACCOUNTS) SANJAY S. MANIAR (COMPANY SECRETARY)	
ARPIT K. PATEL (PARTNER)		PLACE : AHMEDABAD Date : JULY, 29 2008	

17<sup>TH</sup> ANNUAL REPORT 2007-2008

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
31st MARCH 2008 [Rupees in Crores]

PARTICULARS	SCHEDULE	FOR THE YR. ENDED 31.03.2008	FOR THE YR. ENDED 31.03.2007
<b>(A) INCOME</b>			
Sales	J	1857.74	1425.19
Less : Excise Duty		12.68	11.52
Net Sales		1845.06	1413.67
Other Income	K	2.10	1.69
<b>TOTAL - "A"</b>		<b>1847.16</b>	<b>1415.36</b>
<b>(B) EXPENDITURE</b>			
(Increase) / Decrease in Stock	L	(-55.52)	(-29.51)
Material Consumption	M	1389.15	911.91
Manufacturing Expenses	N	106.12	80.23
Purchase of Trading Goods		106.18	241.15
Employees' Cost	O	30.01	22.01
Administrative Expenses	P	19.39	10.17
Sales Expenses	Q	94.96	76.24
Finance & Other Charges	R	15.25	8.21
Exceptional items (Loss on Discarding of Assets)		0.46	0.00
Depreciation		31.46	25.10
<b>TOTAL - "B"</b>		<b>1737.46</b>	<b>1345.51</b>
<b>Profit before Tax (A-B)</b>		<b>109.70</b>	<b>69.85</b>
Provision for Taxation			
- Current tax		39.16	9.24
- Deferred tax		(-1.05)	14.08
- Fringe Benefit Tax		0.16	0.22
- Less : Excess Provision of Earlier Years Written Back		0.01	0.47
<b>Profit after Tax</b>		<b>71.44</b>	<b>46.78</b>
Add: Balance of Profit from Previous Year		124.70	89.78
<b>Profit available for appropriation</b>		<b>196.14</b>	<b>136.56</b>
<b>APPROPRIATION</b>			
Transferred to General Reserve		7.50	6.00
Transferred to Capital Redemption Reserve		0.19	0.00
Interim Dividend Paid (20%) (P.Y. Nil)		5.53	0.00
Dividend Distribution Tax on Interim Dividend paid (P.Y. Nil)		0.94	0.00
Proposed Final Dividend 20% p.a.(P.Y.18%p.a.)		5.53	5.01
Provision for Dividend Distribution Tax		0.94	0.85
Balance carried to Balance Sheet		175.51	124.70
<b>TOTAL</b>		<b>196.14</b>	<b>136.56</b>
<b>Significant Accounting Policies</b>	S		
<b>Notes forming part of Financial Statements</b>	T		
Earnings per Equity Share of Rs.2/- each (Basic & Diluted) (Refer note 6 of Schedule-T)		5.15	3.36

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008  
[Rupees in Crores]

PARTICULARS	YEAR 2007-08	YEAR 2006-07
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR</b>	<b>109.70</b>	<b>69.85</b>
Depreciation	31.46	25.10
Loss on Exceptional Item	0.46	0.00
Income From Dividend	(-) 0.08	(-) 0.04
(Profit) / Loss on Sale of Assets	(-) 0.53	(-) 0.53
Profit on Sale of Investments (Net)	(-) 1.24	(-) 0.48
Finance and other charges	25.68	10.04
Interest Income	(-)10.42	(-)1.12
	<b>45.33</b>	<b>32.97</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES, ADJUSTMENTS FOR</b>	<b>155.03</b>	<b>102.82</b>
Trade and other Receivables	(-) 72.51	(-) 4.81
Inventories	(-) 244.21	10.08
Trade Payables and Liabilities	69.12	23.47
Transitional Liability for Gratuity and Leave Encashment	(-) 0.15	0.00
	(-) 247.75	28.74
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(-) 92.72</b>	<b>131.56</b>
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS EXTRAORDINARY ITEMS</b>		
Direct taxes (paid/adjusted)	(-) 22.80	(-) 9.00
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(-) 115.52</b>	<b>122.56</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(-) 42.43	(-)66.25
Sale of Fixed Assets	4.79	2.04
Purchase of Investments	(-)19.75	(-) 3.41
Sale of Investments	3.60	1.58
Interest Received	4.05	1.12
Dividend Received	0.08	0.05
<b>NET CASH GENERATED IN INVESTING ACTIVITIES [B]</b>	<b>(-) 49.66</b>	<b>(-) 64.87</b>
	(-) 165.18	57.69
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of shares	(-) 3.31	0.00
Proceeds from Borrowings	336.52	0.00
Repayment of Borrowings	(-) 5.56	(-) 28.08
Proceeds from Unsecured Loans	0.35	(-)0.02
Finance and other charges	(-) 23.88	(-) 13.48
Dividend and tax thereon paid	(-) 12.42	(-) 5.87
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>	<b>291.70</b>	<b>(-) 47.45</b>
<b>D. OTHERS</b>		
Consolidation Adjustments	(-) 0.05	(-) 0.01
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS [A+B+C+D]</b>	<b>126.47</b>	<b>10.23</b>
Cash & Cash Equivalents as at (Opening Balance) 01st APRIL	15.76	5.53
Cash & Cash Equivalents as at (Closing Balance) 31st MARCH	142.23	15.76
	<b>126.47</b>	<b>10.23</b>
1 Cash and cash equivalents include		
	<b>As at</b>	<b>As at</b>
	<b>31.03.2008</b>	<b>31.03.2007</b>
Cash in hand(including cheques on hand)	0.69	0.82
With Scheduled Banks on		
Current Accounts	3.07	2.40
Short term Deposits - In Lien	133.84	11.94
- In Lien free	4.63	0.60
	<b>142.23</b>	<b>15.76</b>

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

This is the Profit & Loss Account referred For and on behalf of the Board of Directors  
to in our report of even date  
FOR, KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS

ARPIT K. PATEL  
(PARTNER)

PLACE : AHMEDABAD  
Date : JULY 29, 2008

VIJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)  
MANISH V.GUPTA  
(MANAGING DIRECTOR)  
N. GIRIDHAR  
(V. P. FINANCE & ACCOUNTS)  
SANJAY S. MANIAR  
(COMPANY SECRETARY)

PLACE : AHMEDABAD  
Date : JULY 29, 2008

This is the Cashflow Statement referred For and on behalf of the Board of Directors  
to in our report of even date  
FOR, KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS

ARPIT K. PATEL  
(PARTNER)

PLACE : AHMEDABAD  
Date : JULY 29, 2008

VIJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)  
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SANJAY S. MANIAR  
(COMPANY SECRETARY)

PLACE : AHMEDABAD  
Date : JULY 29, 2008



**SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

Rs. in Crores

	AS AT 31.03.2008	AS AT 31.03.2007
<b>SCHEDULE "A" SHARE CAPITAL</b>		
<b>Authorised</b>		
25000000(P.Y.250000000) Equity shares of Rs.2 each	50.00	50.00
	<u>50.00</u>	<u>50.00</u>
<b>Issued,Subscribed and Paid Up Capital</b>		
138351875 (P.Y.139318490) Equity Share of Rs.2/- each	27.67	27.86
<b>Notes:</b>		
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.		
v. 966615 (P. Y Nil) Equity Shaes of Rs. 2/- each bought back and extinguished pursuant to scheme of Buy-back from open market through stock exchange route which closed on 15.01.2008		
	<u>27.67</u>	<u>27.86</u>
<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Balance as per last Balance Sheet	143.02	137.02
Less : Transitional Liability under AS 15 (Deferred Tax Rs. 522162/-)	0.10	0.00
Less : Utilised for Buy Back of Equity Shares	3.12	0.00
Add : Transferred from Capital Subsidy	0.15	0.00
Add : Transferred from Profit & Loss Account	7.50	6.00
	<u>147.45</u>	<u>143.02</u>
<b>Capital Subsidy</b>		
Balance as per last Balance Sheet	0.65	0.65
(Refer Accounting Policy N of Schedule "S" of Standalone Accounts notes)		
Less : Transfer to General Reserve	0.15	0.00
	<u>0.50</u>	<u>0.65</u>
<b>Amalgamation Reserve Account</b>		
Balance as per last Balance Sheet	0.02	0.02
	<u>0.02</u>	<u>0.02</u>
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	0.30	0.30
Add : Additions / adjustments during the year	(-0.17)	0.00
	<u>0.13</u>	<u>0.30</u>

	AS AT 31.03.2008	AS AT 31.03.2007
<b>SCHEDULE "B" RESERVES &amp; SURPLUS (Contd.)</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	0.89	0.89
	<u>0.89</u>	<u>0.89</u>
<b>Capital Redemption Reserve</b>		
Opening Balance	6.22	6.22
Add : Transferred from Profit & Loss Account	0.19	0.00
	<u>6.41</u>	<u>6.22</u>
<b>Surplus as per Profit and Loss Account</b>		
	<u>175.51</u>	<u>124.70</u>
	<u>330.91</u>	<u>275.80</u>
<b>SCHEDULE "C" SECURED LOANS</b>		
<b>(A) Term Loans</b>		
(I) from Indian Renewable Energy Development Agency, New Delhi	2.83	3.49
Interest accrued and due on above (Rs. Nil P. Y. Rs. 17490/-)	0.00	0.00
(Secured by hypothecation of Wind Mills, mortgage of related land & personal guarantee of three promoter Directors.][Principal repayable within one year Rs. 66,50,000/- (P.Y. Rs. 66,50,000/-)]		
	<u>2.83</u>	<u>3.49</u>
(II) from Bank of India, under TUF scheme (Secured by hypothecation of specific movable Plant & Machinery & personal guarantee of three promoter Directors.][Principal repayable within one year Rs. 5,00,00,000/- (P.Y. Rs. 5,00,00,000/-)]	18.75	23.75
(III) From Punjab National Bank Interest accrued and due on above (Rs. 12,325/- (PY Rs. Nil) (Secured by pledge of fixed deposit of Rs. 15,00,000/-) [Principal repayable within one year Rs. 10,00,000/-]	0.10	0.00
	<u>0.00</u>	<u>0.00</u>
	<u>0.10</u>	<u>0.00</u>
	<u>21.68</u>	<u>27.24</u>
<b>(B) Other Loans - Working Capital</b>		
From Banks (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. )	492.27	155.75
	<u>513.95</u>	<u>182.99</u>
<b>SCHEDULE "D" UNSECURED LOANS</b>		
Dealers' & Distributors' Deposits	1.15	0.79
	<u>1.15</u>	<u>0.79</u>

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

SR No.	PARTICULARS	Gross Block			Depreciation			Net Block			
		As at 01.04.2007	Additions During the year	Deductions During the year	As at 31.03.2008	As at 01.04.2007	For the year	Deductions during the year	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
<b>Tangible Assets</b>											
1	Free Hold Land	2.69	5.51	0.78	7.42	0.00	0.00	0.00	0.00	7.42	2.69
2	Lease Hold Land	0.89	0.41	0.00	1.30	0.00	0.00	0.00	0.00	1.30	0.89
3	Factory Building	53.69	15.06	0.00	68.75	17.71	1.81	0.00	19.52	49.23	35.98
4	Non Factory Building & Colony	11.40	0.68	3.80	8.28	1.72	0.15	0.01	1.86	6.42	9.68
5	Plant & Machinery	238.77	30.73	0.00	269.50	110.94	23.21	0.00	134.15	135.35	127.83
6	Wind Mill	31.81	0.17	0.00	31.98	1.46	1.68	0.00	3.14	28.84	30.35
7	Electric Supply System	8.38	2.72	0.00	11.10	5.20	0.40	0.00	5.60	5.50	3.18
8	Vehicles	3.97	1.06	0.11	4.92	1.77	0.41	0.10	2.08	2.84	2.20
9	Furniture & Fixtures	1.93	0.12	0.00	2.05	1.33	0.11	0.00	1.44	0.61	0.60
10	Office Equipments	2.87	0.58	0.02	3.43	1.33	0.29	0.01	1.61	1.82	1.54
11	D.G.Set	28.06	0.74	0.39	28.41	14.24	2.69	0.27	16.66	11.75	13.82
12	Temple	0.24	0.06	0.00	0.30	0.04	0.00	0.00	0.04	0.26	0.20
13	Factory Road	1.38	0.00	0.00	1.38	0.08	0.02	0.00	0.10	1.28	1.30
14	Effluent Treatment Plant	4.80	5.00	0.00	9.80	1.01	0.50	0.00	1.51	8.29	3.79
<b>Intangible Assets</b>											
1	Goodwill (on consolidation)	0.07	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.07	0.07
2	Trade Mark	0.50	0.00	0.00	0.50	0.35	0.05	0.00	0.40	0.10	0.15
3	SAP/ERP Systems	0.59	0.37	0.00	0.96	0.01	0.14	0.00	0.15	0.81	0.58
	<b>TOTAL</b>	<b>392.04</b>	<b>63.21</b>	<b>5.10</b>	<b>450.15</b>	<b>157.19</b>	<b>31.46</b>	<b>0.39</b>	<b>188.26</b>	<b>261.89</b>	<b>234.85</b>
	Previous year	355.57	42.34	5.87	392.04	136.44	25.10	4.35	157.19	234.85	219.13
	CAPITAL WORK IN PROGRESS	19.37	32.60	51.02	0.95	0.00	0.00	0.00	0.00	0.95	19.37
	CAPITAL ADVANCE	8.10	0.57	4.14	4.53	0.00	0.00	0.00	0.00	4.53	8.10
	<b>TOTAL</b>	<b>27.47</b>	<b>33.17</b>	<b>55.16</b>	<b>5.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.48</b>	<b>27.47</b>
	Previous year	0.28	35.27	8.08	27.47	0.00	0.00	0.00	0.00	27.47	0.28

Note : 1. Estimated amount of capital contracts (net) pending to be executed Rs. 29.83 Cr. (P. Y. Rs. 43.14 Cr.). 2. During the year company has capitalised borrowing cost of Rs. 0.13 Cr. (P.Y. Rs. 3.43 Cr.)

## SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

Rs. in Crores

	AS AT 31.03.2008	AS AT 31.03.2007
<b>SCHEDULE "F" INVESTMENTS (AT COST) (LONG TERM INVESTMENTS)</b>		
<b>QUOTED ( EQUITY )</b>		
300 [P.Y. Nil] ACC Limited of Rs.10/- each fully paid up.	0.02	0.00
10 [P.Y. 10] Adani Enterprises Ltd. of Rs.1/- each fully paid up. (Rs. 594/-) (P. Y. Rs. 594/-)	0.00	0.00
50380 [P.Y. 240] Ambuja Cement Ltd. of Rs.2/- each fully paid up. (P. Y. Rs. 25500/-)	0.62	0.00
20302 [P.Y. 20302] Andhra Bank of Rs. 10 /- each fully paid up	0.18	0.18
25 [P.Y. 25] Arvind Mills Ltd.of Rs.10/- each fully paid up (Rs. 261/-) (P. Y. Rs. 261/-)	0.00	0.00
100000 [P.Y. Nil] Ashok Leyland Ltd. of Rs.1/- each fully paid up.	0.36	0.00
24735 [P.Y. Nil] Central Bank of India of Rs.10/- each fully paid up.	0.19	0.00
3391 [P.Y. Nil] Edelweiss Capital Ltd. of Rs.5/- each fully paid up.	0.28	0.00
4992 [P.Y. 4992] Firstsource Solutions Ltd. of Rs 10/- each fully paid up.	0.03	0.03
35290 [P.Y. 8232] Gateway Distriparks Ltd. of Rs.10/- each fully paid up.	0.30	0.06
5400 [P.Y. Nil] Gujarat Alkalies & Chemicals Ltd. of Rs.10/- each fully paid up.	0.07	0.00
62631 [P.Y.121797] Guj. State Petronet Ltd. of Rs.10/- each fully paid up.	0.17	0.33
10000 [P.Y. Nil] Hindalco Industries Ltd. of Rs.1/- each fully paid up.	0.19	0.00
39897 [P.Y. Nil] Hotel Leela Venture Ltd. of Rs.2/- each fully paid up.	0.16	0.00
5426 [P.Y.33] ICICI Bank Ltd. of Rs.10/- each fully paid up.(P.Y. Rs. 13400/-)	0.50	0.00
203965 [P.Y.273965] IDEA Cellular Ltd. of Rs.10/- each fully paid up.	1.53	2.05
10000 [P.Y. Nil] IDFC of Rs.10/- each fully paid up.	0.22	0.00
Nil [P.Y. 100] J. K. Cement Ltd. of Rs. 10/- each fully paid up. (P.Y. Rs.1000/-)	0.00	0.00
1000 [P.Y. Nil] Larson & Toubro Ltd. of Rs.2/- each fully paid up.	0.28	0.00
5 [P.Y. 5] Maral Overseas Ltd. of Rs.10/- each fully paid up. (Rs. 116/-) (P.Y. Rs. 116/-)	0.00	0.00
114822 [P.Y. Nil] Meghmani Organics Ltd. of Rs.1/- each fully paid up.	0.22	0.00
88770 [P.Y. 33770] NTPC Ltd. of Rs.10/- each fully paid up.	1.29	0.21
66600 [P.Y. Nil] Oil & Natural Gas Corp. Ltd. of Rs.10/- each fully paid up.	6.59	0.00
5583 [P.Y. Nil] Omaxe Limited of Rs.10/- each fully paid up.	0.17	0.00
251700 [P.Y. Nil] Petronet LNG Ltd. of Rs.10/- each fully paid up.	1.79	0.00
9539 [P.Y. 79539] Power Finance Corp Ltd. of Rs.10/- each fully paid up.	0.09	0.68
254559 [P.Y. Nil] Power Grid Corporation of India Ltd. of Rs.1/- each fully paid up.	1.32	0.00
Nil [P.Y. 544] Reliance Petroleum Ltd. of Rs.10/- each fully paid up. (P.Y. Rs. 32640/-)	0.00	0.00
100 [P.Y. 100] Riddhi Siddhi Gluco Biols Ltd. of Rs.10/- each fully paid up. (Rs. 1075/-) (P.Y. Rs. 1075/-)	0.00	0.00
10000 [P.Y. Nil] Shiping Corporation of India Ltd. of Rs.10/- each fully paid up.	0.21	0.00
24600 [P.Y. Nil] Steel Authority of India Ltd. of Rs.10/- each fully paid up.	0.51	0.00
1500 [P.Y. Nil] Sukhjit Starch & Chemicals Ltd. of Rs.10/- each fully paid up.	0.02	0.00
7000 [P.Y. Nil] Tata Motors Ltd. of Rs.10/- each fully paid up.	0.44	0.00
37 [P.Y. Nil] Tata Steel Ltd. of Rs.10/- each fully paid up. (Rs. 11100/-)	0.00	0.00
40000 [P.Y. Nil] Tata Teleservices Maharashtra Ltd. of Rs.10/- each fully paid up.	0.13	0.00
Nil [P.Y. 38] Videocon Industries Ltd. of Rs.10/- each fully paid up. (P.Y. Rs. 15010/-)	0.00	0.00
<b>QUOTED (IN PREFERENCE SHARES)</b>		
182 [P.Y. Nil] CCPS of Tata Steel Ltd. of Rs.10/- each fully paid up (Rs. 18200/-)	0.00	0.00
<b>IN MUTUAL FUND [UNQUOTED]</b>		
250000 [P.Y. 250000 ] Units of Reliance Mutual Fund of Rs.10/- each	0.25	0.25
311721.854 [P.Y. 270000] Units of Kotak Lifestyle Mutual Fund of Rs.10/- each	0.32	0.27
100000 [P.Y. 100000] Units of PNB Long Term Equity Fund of Rs.10/- each	0.10	0.10
<b>UNQUOTED (IN EQUITY SHARES)</b>		
<b>In Others</b>		
689490 [P.Y.689490] Equity shares of Jupiter Corporate Services Ltd. of Rs 10/- each fully paid up.	3.29	3.40
2083580 [P.Y. 2083580] Equity Shares of Royale Exports Ltd, Srilanka each of Rs.10/- of Srilankan Rupees	0.98	0.98
10000 [P.Y. NIL] Equity shares of Kalupur Com. Co-Op Banks Ltd.of Rs 25/- each fully paid up.	0.02	0.02
<b>UNQUOTED (IN BONDS)</b>		
30 [P.Y. NIL] PNB Long Term LOA Perpetual Bonds (Interest 10.40%)	3.00	0.00
<b>Government Security</b>		
National Saving Certificates	0.02	0.02
(Lodged with Sales tax & Other Government authorities)		
	<b>25.86</b>	<b>8.58</b>
<b>AGGREGATE COST OF QUOTED INVESTMENTS</b>	<b>17.88</b>	<b>3.54</b>
<b>AGGREGATE COST OF MUTUAL FUND</b>	<b>0.67</b>	<b>0.62</b>
<b>AGGREGATE COST OF UNQUOTED INVESTMENTS</b>	<b>7.31</b>	<b>4.42</b>
<b>MARKET VALUE OF QUOTED INVESTMENTS</b>	<b>20.00</b>	<b>4.84</b>
<b>NAV OF MUTUAL FUND</b>	<b>0.77</b>	<b>0.69</b>

	AS AT 31.03.2008	AS AT 31.03.2007
<b>SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>(A) Current Assets</b>		
<b>1 Inventories</b> (As taken, Valued & Certified by the management)		
Raw Materials	284.60	103.52
Packing Materials	5.41	2.76
Stores & Spares, Coal, Diesel, Furnace Oil	14.75	9.79
Work in Process	2.27	2.18
Finished Goods	154.25	98.82
	<b>461.28</b>	<b>217.07</b>
<b>2 Sundry Debtors</b> (Unsecured, Considered Good)		
Outstanding for a period exceeding six months	0.18	0.02
Others	91.67	67.19
	<b>91.85</b>	<b>67.21</b>
<b>3 Cash &amp; Bank Balances</b>		
Cash on Hand	0.69	0.82
Balance with Banks		
With Scheduled Banks		
(a) in Current accounts	3.01	1.82
(b) in Fixed Deposit accounts	133.84	11.94
(with Bank as Lien as margin money for line of credit)		
(c) Lien Free Fixed Deposit accounts	4.63	0.60
With Other Banks		
(A) on Current accounts	0.06	0.58
Includes balances with		
(a) Shri Kadi Nagrik Sahakari Bank Ltd [Rs. 19893/- (P.Y. Rs. 19893/-)] (Maximum balance outstanding during the year Rs.19893/- P.Y. Rs. 23279/-)		
(b) The Akola Janta Comm.Co.Op.Bank Ltd [Rs.546520/-(P.Y. Rs. 5747729/-)] (Maximum balance outstanding during the year Rs.7850274/- P.Y. Rs. 7055070/-)		
	<b>142.23</b>	<b>15.76</b>
<b>4 Other Current Assets</b>		
Interest Receivable	6.77	0.41
	<b>6.77</b>	<b>0.41</b>
<b>5 Loans &amp; Advances (Unsecured, Considered Good)</b>		
Advances recoverable in cash or in kind or for value to be received	53.98	6.88
Advances for Goods & Expenses	1.34	1.27
Excise Balances	2.31	1.81
	<b>57.63</b>	<b>9.96</b>
<b>SCHEDULE "H" CURRENT LIABILITIES</b>		
Creditors for Capital Goods	2.54	3.90
Creditors for Goods & Expenses	81.09	13.95
Advance Received from Customers	2.11	1.43
Interest Accrued but not due	2.05	0.11
Bank Overdraft as per Books	0.42	0.71
Other Liabilities	15.97	14.16
Unclaimed Dividend (Not due for transfer to I.E & P Fund)	0.92	0.99
	<b>105.10</b>	<b>35.25</b>
<b>SCHEDULE "I" PROVISIONS</b>		
Proposed Dividend	6.47	5.86
(Including Dividend Distribution Tax Rs. 0.94 Crores P.Y. Rs. 0.85 Crores)		
Tax Balances : Current Tax - (Provisions Less Advance Tax)	18.83	2.32
Provision for Employee Benefits	0.34	0.76
	<b>25.64</b>	<b>8.94</b>





**SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

Rs. in Crores

	YR. ENDED 31.03.2008	YR. ENDED 31.03.2007
<b>SCHEDULE "J" SALES</b>		
Export Sales	943.13	552.45
[FOB Value Rs.908.16 Crores (P.Y.Rs 524.39 Crores)]		
Domestic Sales	914.61	872.74
	<b>1,857.74</b>	<b>1,425.19</b>
<b>SCHEDULE "K" OTHER INCOME</b>		
Dividend from long term Investment	0.08	0.04
Miscellaneous Income	0.25	0.64
Profit on Sale of long term Investments (Net)	1.24	0.48
Profit on Sale of Assets (Net)	0.53	0.53
	<b>2.10</b>	<b>1.69</b>
<b>SCHEDULE "L" INCREASE/ DECREASE IN STOCK</b>		
Opening Stock		
Work-in-Process	2.18	2.14
Finished Goods	98.82	69.35
	<b>101.00</b>	<b>71.49</b>
Less : Closing Stock		
Work-in-Process	2.27	2.18
Finished Goods	154.25	98.82
	<b>156.52</b>	<b>101.00</b>
	<b>(-)55.52</b>	<b>(-)29.51</b>
<b>SCHEDULE "M" Materials Consumption</b>		
Raw Materials		
Opening Stock	103.52	147.65
Add : Raw Materials Purchased	1,555.99	857.03
Less : Sale of Raw Materials	3.84	2.58
Less : Closing Stock of Raw Materials	284.60	103.52
Raw Materials Consumption	<b>1,371.07</b>	<b>898.58</b>
Packing Materials Consumption	18.08	13.33
Total Materials Consumption	<b>1,389.15</b>	<b>911.91</b>
<b>SCHEDULE "N" MANUFACTURING EXPENDITURE</b>		
Stores & Spares Consumed	15.26	6.70
Power, Electricity, Diesel, LDO & Fuel Expenses	44.62	35.30
Coal ,Castor DOC ,Chemicals & Fuel Consumed	27.86	28.15
Repairs : Plant & Machinery	0.82	1.23
Building	0.53	0.92
Others	1.07	0.54
Insurance [Net of Claims]	0.90	1.27
Other Manufacturing Expenses	18.62	9.18
	<b>109.68</b>	<b>83.29</b>
Less : Job work charges Recovered	3.56	3.06
	<b>106.12</b>	<b>80.23</b>
<b>SCHEDULE "O" EMPLOYEES' COST</b>		
Salary,Wages, Bonus, Gratuity & Leave encashment	21.82	20.74
Commission to Managing Directors	6.94	0.00
Contribution to Provident Fund & Other Funds	1.12	1.15
Staff Welfare	0.13	0.12
	<b>30.01</b>	<b>22.01</b>
<b>SCHEDULE "P" ADMINISTRATIVE EXPENSES</b>		
Conveyance & Travelling Expenses [Including Directors Travelling Rs. 0.10 Crores (P.Y. Rs 0.63 Crores)]	2.39	1.73
Electricity Expenses	0.35	0.42
Vehicle Maintenance Expenses	1.16	1.01
Insurance Expenses	0.45	0.36
Printing, Stationery, Postage & Telephone	1.44	1.52
Legal & Professional Expenses	1.61	1.38
Rent	0.59	0.45
Rates & Taxes	0.18	0.10
Donations	0.06	0.05
Foreign Exchange Fluctuation	5.79	(-)0.35
Payment to Auditors		
For Audit	0.11	0.10
For Tax Audit	0.03	0.02
For Others	0.02	0.01
General Administrative Charges	5.21	3.37
	<b>19.39</b>	<b>10.17</b>
<b>SCHEDULE "Q" SALES EXPENSES</b>		
<b>For Domestic Sales</b>		
Local Sales Expenses	12.38	15.52
Commission & brokerage	1.36	0.57
	<b>13.74</b>	<b>16.09</b>
<b>For Export Sales</b>		
Exports Sales Expenses	79.65	59.50
Commission & brokerage	1.54	0.64
Insurance	0.03	0.01
	<b>81.22</b>	<b>60.15</b>
	<b>19.96</b>	<b>76.24</b>

	YR. ENDED 31.03.2008	YR. ENDED 31.03.2007	
<b>SCHEDULE "R" FINANCE &amp; OTHER CHARGES</b>			
Interest on Fixed Loans / Term Loan	1.50	0.22	
Interest on Working Capital Loans	16.23	6.68	
Interest on Others	0.40	0.01	
Bank and Other Financial Charges	7.54	2.39	
	<b>25.67</b>	<b>9.30</b>	
<b>LESS : Income</b>			
Interest on Bank Deposits (Gross)	10.06	0.79	
[TDS : Rs. 2.26 Crores (P.Y.TDS Rs 0.17 Crores)]			
Interest on Others (Gross)	0.36	0.30	
[TDS Rs. 85656/- (P.Y.TDS Rs 103373/-)]			
	<b>10.42</b>	<b>1.09</b>	
	<b>15.25</b>	<b>8.21</b>	
<b>Net Finance &amp; Other Charges</b>			
<b>SCHEDULE "S" SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>1. Accounting Convention</b>			
The Consolidated Financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) issued by The Institute of Chartered Accountants of India and comply with Companies (Accounting Standards) Rules, 2006 issued by Central Government.			
<b>2. Basis of Accounting</b>			
The financial statements are prepared under the historical cost convention and comply with the applicable Accounting Standards in the country of incorporation.			
<b>3. Principles of consolidation</b>			
(i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, income & expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".			
(ii) In case of foreign subsidiary, being non-integral foreign operations, revenue items are translated at the average rate prevailing during the year. All assets and liabilities are translated at rates prevailing at the end of the year. The resulting exchange differences arising on consolidation is recognized and shown as Foreign Currency Translation Reserve.			
(iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill arising out of consolidation is not amortised but tested for impairment as at the Balance Sheet date every year and impairment loss if any is provided.			
(iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except in respect of depreciation where different rates are followed. However the impact on the profitability and the carrying value of the assets is not significant.			
<b>4. The Subsidiary Company considered in the consolidated financial statements is</b>			
<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>% Voting power held as at 31st March 2008</b>	<b>Reporting Date</b>
Gujarat Ambuja International Pte Ltd.	Singapore	100%	31-03-2008
Note: There is no change in above details since the reporting date 31.03.2008.			
<b>5. Exchange adjustments</b>			
In case of GAJPL, the wholly owned subsidiary, the summarized revenue and expenses reflected in profit & loss account have been translated into Indian Rupees at an average exchange rate. The Assets and Liabilities have been translated into Indian Rupees at the closing exchange rate prevailing on Balance Sheet date. The resultant excess/ shortfall, arising out of elimination process in consolidation has been disclosed as Foreign Currency Translation Reserve.			
<b>6. Other significant Accounting Policies</b>			
These are set out in the Notes to Accounts under "Statement of Accounting Policies" of financial statements of Gujarat Ambuja Exports Ltd, the holding Company and Gujarat Ambuja International Pte. Ltd, the wholly owned Subsidiary Company.			
<b>SCHEDULE "S" NOTES FORMING PART OF FINANCIAL STATEMENTS (Rs. in Crores)</b>			
<b>1. Contingent liabilities not provided for in respect of</b>			
	<b>PARTICULARS</b>	<b>2007-08</b>	<b>2006-07</b>
(a)	Claims against the Company /disputed liabilities not acknowledged as debts	4.67	6.99
(b)	Disputed Excise duty, Sales Tax, Motor Spirit Tax, Income Tax Claims	18.77	21.46
(c)	Differential amount of custom duty in respect of machinery and raw materials purchased under EPCG and Advance License Scheme	0.11	0.00
<b>Note:</b>			
a) Outflow in respect of 1 (a) and (b) disputes/contingencies is dependent upon final outcome of the disputes or ultimate agreement to resolve the differences.			
b) Future cash outflows in respect of 1 (c) depends if Company is unable to fulfill export obligation of Rs. 0.08 Crores within next eight years under EPCG Scheme and 6986 MT of castor meal amounting to Rs. 3.98 Crores under Advance License Scheme on or before 30 <sup>th</sup> November 2008.			
<b>2.</b> 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.			
<b>3.</b> Sales include realised gain of exchange on forward exchange contracts (Net of settlements) entered into primarily for hedging purpose Rs. 10.44 Crores (net) (P.Y. Rs 7.14 Crores (net)).			

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4. 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 are.

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

PARTICULARS	As at 31st March 2008	As at 31st March 2007
A Deferred tax liabilities		
(i) Depreciation	48.91	49.78
(ii) Other Provisions	0.07	0.00
<b>Total</b>	<b>48.98</b>	<b>49.78</b>
B Deferred tax Assets		
(i) Provisions - 43 B items (Gratuity & Leave Encashment)	0.29	0.10
(ii) Other Provisions	0.12	0.00
<b>Total</b>	<b>0.41</b>	<b>0.10</b>
<b>Net Deferred tax liability</b>	<b>48.57</b>	<b>49.68</b>

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person
(a) Sale of Fixed Assets	0.18	-	0.18
	P.Y.	(-)	(-)
(b) Managerial Remuneration	7.69	7.44	0.25
	P.Y.	(0.73)	(0.47)
(c) Services : Sitting Fees	0.01	-	0.01
	P.Y.	(0.01)	(-)
(d) Dividend paid	6.68	5.53	1.15
	P.Y.	(2.11)	(1.75)

## 5. Related Party Disclosure

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

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

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

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.

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

PARTICULARS	2007-08	2006-07
Net Profit as per Profit & Loss Account	71.44	46.75
No. of Weighted Average outstanding Equity Shares	138815311	139318490
Earning per Equity Share of Rs 2/- each (Basic & Diluted)	5.15	3.36

Weighted average outstanding equity shares have been computed after considering buy back during the year.

## 7. Segment Information for the year ended 31<sup>st</sup> March 2008

### (a) Primary Segment - Business Segment

	2007-08						2006-07					
	Cotton Yarn	Maize Processing	Agro Processing	Wind Mill	Others	Total	Cotton Yarn	Maize Processing	Agro Processing	Wind Mill	Others/ Unallocated	Total
<b>(A) Revenue</b>												
External Sales	153.25	132.89	1537.49	5.46	15.97	1845.06	169.90	123.49	1102.53	4.25	13.50	1413.67
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	153.25	132.89	1537.49	5.46	15.97	1845.06	169.90	123.49	1102.53	4.25	13.50	1413.67
<b>(B) Result : (Profit before Interest &amp; tax)</b>												
Segment Result	(-)3.97	11.91	124.46	3.62	0.22	136.24	16.02	20.43	42.88	2.89	0.13	82.35
Less: Unallocated Corporate Expenses net of unallocated Corporate Income						(-)10.83						(-)4.29
<b>Operating Profit</b>						125.41						78.06
Interest Expenses						(-)15.25						(-)8.21
Exceptional Items (Loss on Discarding of Assets)						(-)0.46						0.00
Current Tax (Dr.)						(-)39.16						(-)9.24
Deferred Tax (Dr.) / Cr.						1.05						(-)14.08
Add: Excess Provision of Earlier Years written back						0.01						0.47
Fringe Benefit Tax						(-)0.16						(-)0.22
<b>Net Profit</b>						71.44						46.78
<b>(C) Other Information</b>												
Segment Assets	156.46	147.68	662.37	27.06	0.88	994.45	157.90	68.71	314.86	30.56	0.00	572.03
Unallocated Corporate Assets						58.54						8.58
<b>Total Assets</b>	<b>156.46</b>	<b>147.68</b>	<b>662.37</b>	<b>27.06</b>	<b>0.88</b>	<b>1052.99</b>	<b>157.90</b>	<b>68.71</b>	<b>314.86</b>	<b>30.56</b>	<b>0.00</b>	<b>580.61</b>
Segment Liabilities	9.61	19.57	74.43	0.01	0.03	103.65	101.00	3.65	115.87	3.51	0.00	224.03
Unallocated Corporate Liabilities						590.76						52.99
<b>Total Liabilities</b>	<b>9.61</b>	<b>19.57</b>	<b>74.43</b>	<b>0.01</b>	<b>0.03</b>	<b>694.41</b>	<b>101.00</b>	<b>3.65</b>	<b>115.87</b>	<b>3.51</b>	<b>0.00</b>	<b>277.02</b>
Capital Expenditure - Capitalised	2.66	56.45	3.93	0.17	0.00	63.21	13.21	4.86	2.90	15.43	0.00	36.40
Depreciation	15.77	5.30	8.71	1.68	0.00	31.46	15.07	5.03	3.70	1.30	0.00	25.10
Non cash Expenses other than depreciation/amortisation	0.46	0.00	0.00	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00

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

Geographical Area	Current Year	Previous Year	Geographical Area	Current Year	Previous Year
India	952.88	902.70	North America	52.81	17.20
Asia Specific	752.25	449.79	South America	27.37	24.10
Africa	6.82	2.56	Australia	0.31	0.06
Europe	52.62	17.26	<b>Total</b>	<b>1845.06</b>	<b>1413.67</b>

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

- 8 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

ARPIT K. PATEL  
(PARTNER)

PLACE : AHMEDABAD  
Date : JULY 29, 2008

For and on behalf of the Board of Directors  
VIJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)  
MANISH V. GUPTA  
(MANAGING DIRECTOR)  
N. GIRIDHAR  
(V. P. FINANCE & ACCOUNTS)  
SANJAY S. MANIAR  
(COMPANY SECRETARY)  
PLACE : AHMEDABAD  
Date : JULY 29, 2008



**NOTICE**

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of Members of GUJARAT AMBUJA EXPORTS LIMITED will be held on Monday, the 29<sup>th</sup> September, 2008 at 10.00 a.m. at GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006 to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2008, Profit & Loss Account for the year ended on that date, Directors' Report and Auditors' Report thereon.
2. To confirm the payment of interim dividend on Equity Shares for the year 2007-08 and to declare final dividend for the year 2007-08 on Equity Shares
3. To appoint a Director in place of Mr. Jagdish Sharan Varshneya, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Prakash G Ramrakhiani, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Ashok C Gandhi, 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 Mr. Manish V 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(s) 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 Mr. Manish V Gupta as Managing Director of the Company from 28<sup>th</sup> December, 2008 to 27<sup>th</sup> December, 2013 (both the days inclusive) on the terms and conditions as set out in the draft agreement to be entered into between the Company and Mr. Manish V Gupta, a copy whereof initiated 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 Mr. Manish V 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 pursuant to provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Mr. Manish V Gupta as Managing Director by way of salary, perquisites, commission and other allowances, shall not exceed 5% of net profits of the Company and if there are more than one such director, 10% for all of them together in that financial year."

"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 Mr. Manish V 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 Mr. Manish V Gupta, 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 of the Company, be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

8. **Appointment of Mr. Mohit V Gupta, as Joint Managing Director of the Company**

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

"RESOLVED THAT pursuant to the Provisions of Section 198, 269, 309 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification(s) or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr. Mohit V Gupta as Joint Managing Director of the Company from 1<sup>st</sup> August, 2008 to 31<sup>st</sup> July, 2013 (both the days inclusive) on the terms and conditions as set out in the draft agreement to be entered into between the Company and Mr. Mohit V Gupta, a copy whereof initiated 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 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 Mr. Mohit V 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 pursuant to provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Mr. Mohit V Gupta as Joint Managing Director by way of salary, perquisites, commission and other allowances, shall not exceed 5% of net profits of the Company and if there are more than one such director, 10% for all of them together in that financial year."

"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 Mr. Mohit V Gupta as Joint 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 Mr. Mohit V Gupta, Joint Managing Director of the Company be and is hereby authorised, empowered and vested with the substantial powers of the management of the Pithampur Division of the Company for carrying out the affairs and activities of the said division of the Company subject to the superintendence, control and direction of the Board of Directors of the Company and whose office shall be liable to retirement by rotation."

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

**By order of the Board**

**Place : Ahmedabad  
Date : July 29, 2008**

**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 15<sup>th</sup> September, 2008, to 29<sup>th</sup> September, 2008 (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 29<sup>th</sup> September, 2008. 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 2000-2001 have been deposited with the central government and/or Investors Education and Protection Fund, as the case may be. Unclaimed dividend for the year 2001-2002 & onwards will be deposited with the Investors Education and Protection Fund as per following chart. Those members who have not encashed the dividend warrant for these years are therefore requested to immediately forward the same, duly discharged to the Company's registrar and share transfer agent to facilitate payment of the dividend.

Financial Year	Date of AGM	Date of Dividend Warrant	Due Date of Transfer to Unpaid Account	Due Date of accepting claim by the Company	Due date for Transfer to Investors Education and Protection Fund
2001-02	25.02.2003	26.03.2003	02.04.2003	25.02.2010	02.04.2010
2002-03	30.09.2003	26.03.2003	13.04.2003	26.03.2010	13.04.2010
Interim: Note:1					
2003-04	23.09.2004	28.09.2004	29.10.2004	23.09.2011	29.10.2011
2004-05	22.09.2005	26.09.2005	28.10.2005	22.09.2012	28.10.2012
2005-06	09.09.2006	13.09.2006	15.10.2006	09.09.2013	15.10.2013
2006-07	25.09.2007	27.09.2007	31.10.2007	25.09.2014	31.10.2014
2007-08	22.01.2008	01.02.2008	27.02.2008	22.01.2015	27.02.2015
Interim: Note:2					

**Note:**

- For F.Y. 2002-03 Interim Dividend @6% p.a. was approved at the meeting of Board of Directors held on 8.3.2003 and the same had also been paid and the same was approved as Final Dividend for F.Y. 2002-03 by members of the Company at 12<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2003.
  - For F.Y. 2007-08 Interim Dividend @ 20% p.a. was approved at the meeting of Board of Directors held on 22.01.2008 and the same had been paid to members/ beneficial owners appearing on the records of the company as on record date. The approval of members to confirm the payment of interim dividend is sought for, at this Annual General Meeting.
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 shareholding, 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. to 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, Mr. Jagdish Sharan Varshneya, Mr. Prakash G Ramrakhiani and Mr. Ashok C Gandhi, 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) Mr. Jagdish Sharan Varshneya, aged 79 years is M.Com. LL.B. He started his career as lecturer in Nagpur College of Commerce and Economics in 1950. In 1953 he joined State Bank of India and served in various positions including Deputy Managing Director (Development and Planning). From 1985 to 1989 he was Chairman and Managing Director of Punjab National bank. During his tenure as banker he received over 20 awards for his individual excellence in various fields of banking. He also acted as president, chairman, member and trustee of various associations, institutions, banks and other organisations.
- He is Director of the Company since 1998. He is also Director in India Toners & Developers Ltd., Pasupati Fabrics Ltd., Shri Lakshmi Cotsyn Ltd., Sutlej Industries Ltd., Universal Starch Chem Allied Ltd., Dominant Offset Ltd., Titan Biotech Ltd., Prince Denims Ltd., Ganganjay Commotrade Pvt. Ltd., Jagesh Commercial Pvt.Ltd., Kanch Tie-Up Pvt. Ltd., Maina Polyester Pvt.Ltd., Ornate Estates Pvt. Ltd., Swan Securities Pvt. Ltd.. He is also chairman of the Audit Committee of the Company, Pashupati Fabrics Limited, Sutlej Industries Limited and Universal Starch Chem Allied Limited. He was holding 3750 Equity shares of Gujarat Ambuja Exports Limited as on 31.03.2008.
- (b) Mr. Prakash G Ramrakhiani, aged 68 years is retired IAS officer and is on the Board of the Company since 8.3.2003. He had joined Indian Administrative Services in 1964 and worked in various Government Departments including as Collector, District Development Officer, Deputy Secretary, Joint Secretary and Director. He had also headed public sector corporations as Managing Director. He served as Managing Director of private sector power utility company for 2 years. Thus, he has rich experience in the industrial management and functions at executive level. He is also Director and member of Audit Committee of Eastern Medikit Pvt.Ltd. He was not holding any shares in Gujarat Ambuja Exports Limited as on 31.03.2008.
- (c) Mr. Ashok C Gandhi, aged 69 years is B.Com., LL.B., and Advocate. He is on the Board of the Company since 24.07.2003. He is a partner of well known firm of Advocates, M/s C C Gandhi & Co., and has rich experience of more than 40 years in the legal profession. He is on the Board of Amol Dicalite Limited, Jayatma Spinners Limited, Bloom Dekor Limited, Aarvee Denims & Exports Limited, Ahmedabad Steel Craft Limited, Soma Textiles & Industries Limited, Dishman Pharmaceuticals and Chemicals Limited, MSK Projects (India) Limited, Mafatal Industries Limited. He is also Member of Audit Committee of Gujarat Ambuja Exports Limited, Bloom Dekor Limited, Aarvee Denims & Exports Limited, Ahmedabad Steel Craft Limited, Soma Textiles & Industries Limited, Dishman Pharmaceuticals and Chemicals Limited, MSK Projects (India) Limited, Mafatal Industries Limited and Member of Shareholders' Grievance Committee of Dishman Pharmaceuticals and Chemicals Limited. He is also Chairman of Remuneration Committee of Gujarat Ambuja Exports Limited and Bloom Dekor Limited and member of Remuneration Committee of Amol Dicalite Limited,

Aarvee Denims & Exports Limited, Dishman Pharmaceuticals and Chemicals Limited and MSK Projects (India) Limited. He was holding 2500 Equity shares of Gujarat Ambuja Exports Limited as on 31.03.2008.

**ANNEXURE TO NOTICE**

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

**ITEM NO. 7**

**Re-appointment of Mr. Manish V Gupta as Managing Director of the Company**

Mr. Manish V Gupta was re- appointed as Managing Director for the period of 5 years w.e.f. 28<sup>th</sup> December, 2003 and his term will expire on 27<sup>th</sup> December, 2008.

Considering the increased activities, responsibilities and contribution of Mr. Manish V Gupta in development and growth of the Company, Remuneration Committee and the Board of Directors at their respective meetings held on 29<sup>th</sup> July, 2008, subject to approval of members at the General Meeting, have considered and approved the re-appointment of Mr. Manish V Gupta as Managing Director of the Company on the terms and conditions as mentioned in the draft agreement.

Mr. Manish V Gupta, aged 37 years, with graduation in commerce and managerial experience of 17 years, is young and dynamic entrepreneur. He is one of the promoter and main contributory to the growth and development of the Company and Gujarat Ambuja Exports group. He also holds directorship in other Companies namely Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited, Jay Agriculture and Horticulture Products Private Limited, Jay Infrastructure and Properties Private Limited, Jay Ambe Infra Projects Private Limited, Gujarat Ambuja International Pte. Ltd, incorporated at Singapore, Reliance Exports Limited, Sri Lanka, The Soyabean Processing Association of India and The Solvent Extractors' Association of India. He is also member of share transfer committee of Gujarat Ambuja Exports Limited. As on 31.03.2008, he held 3,38,62,865 Equity shares of Gujarat Ambuja Exports Limited.

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

**1. Terms of Appointment:**

With effect from 28<sup>th</sup> December, 2008 to 27<sup>th</sup> December, 2013

**2. Remuneration :**

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

II **Perquisites**: The Managing Director shall be entitled to following perquisites. The valuation of perquisites shall be governed by Income Tax Act, 1961.

**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 once 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, would be paid in addition to the actual expenditure on company's business.

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 Mr. Manish V 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 allowances 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 at the end of tenure. The Leave encashment as per the above entitlement will be subject to valuation as per Income Tax Rules, 1962.

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 perquisite. The Company shall bill personal long distance calls and use of Car for private purpose.



## GUJARAT AMBUJA EXPORTS LIMITED

### 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:

- Mr. Manish V Gupta, shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board.
- As long as Mr. Manish V 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.
- Mr. Manish V Gupta shall not retire by rotation whilst he continues to hold office of Managing Director.
- Mr. Manish V 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.
- The Office is liable to termination with 3 months' notice from either side.
- The terms and conditions of the said appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule XIII to the Companies Act, 1956 or any amendments or modifications made thereto.

The draft Agreement to be entered into by the Company with Mr. Manish V 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.

Mr. Manish V 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. Mr. Vijay Kumar Gupta, Mrs. Sulochana V Gupta and Mr. Mohit V Gupta also are considered as concerned or interested in the same, being relatives of Mr. Manish V 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

#### Appointment of Mr. Mohit V Gupta as Joint Managing Director of the Company

At their respective meetings held on 29<sup>th</sup> July, 2008, the Remuneration Committee recommended and the Board of Directors of the Company approved the appointment of Mr. Mohit V Gupta as Joint Managing Director from 1<sup>st</sup> August, 2008 to 31<sup>st</sup> July, 2013 on the terms and conditions as mentioned in the draft agreement.

Mr. Mohit V Gupta, aged 27 years, is young and dynamic entrepreneur with Diploma in International Business Management and Human Resource Management, Family Business Management from S.P. Jain Institute of Management and Research and Diploma Computer Information System from university of South Alabama, U.S.A.. He also holds directorship in other Companies namely Jay Agriculture and Horticulture Products Private Limited and Jay Infrastructure and Properties Private Limited. As on 31.03.2008, he held 90,17,095 Equity shares of Gujarat Ambuja Exports Limited.

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

#### 1. Terms of Appointment:

With effect from 1<sup>st</sup> August, 2008 to 31<sup>st</sup> July, 2013

#### 2. Remuneration :

I **Salary** : Rs. 1,25,000/- per month (Rupees One Lac Twenty Five Thousand per month)

II **Perquisites** : The Joint Managing Director shall be entitled to following perquisites. The valuation of perquisites shall be governed by Income Tax Act, 1961.

### CATEGORY : A

- Gas, Electricity, Water and Furnishing** : The expenditure incurred by the Joint 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.
- 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.
- LTA** : Leave Travel Concession for the self and family once 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, would be paid in addition to the actual expenditure on company's business.

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 Mr. Mohit V 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 allowances 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 at the end of tenure. The Leave encashment as per the above entitlement will be subject to valuation as per Income Tax Rules, 1962.

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 perquisite. 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 Joint Managing Director, Managing Directors and Whole Time Director(s) of the Company taken together. Provided, however, that in event of absence or inadequacy of profit the Joint 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) Mr. Mohit V Gupta, shall be vested with substantial powers of the management of Pithampur Division of the Company subject to the supervision, control and direction of the Board.

(b) As long as Mr. Mohit V Gupta functions as Joint 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) The office of Mr. Mohit V Gupta shall be retirement by rotation but the re-appointment by way of retirement by rotation shall not be construed as break in terms of his appointment.

(d) Mr. Mohit V 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 is 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 Mr. Mohit V 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.

Mr. Mohit V 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 appointment and remuneration. Mr. Vijay Kumar Gupta, Mrs. Sulochana V Gupta and Mr. Manish V Gupta also are considered as concerned or interested in the same, being relatives of Mr. Mohit V 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. 8 of the Notice.

Place : Ahmedabad  
Date : July 29, 2008

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



**CORPORATE OFFICE :**

**GUJARAT AMBUJA EXPORTS LIMITED**

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

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

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**PLANTS**

**100% EOU COTTON YARN DIVISION**

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**SOYA PROCESSING UNIT**

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

**AKOLA SOYA PROCESSING & REFINERY**

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