



# GUJARAT AMBUJA EXPORTS LIMITED

## 13<sup>th</sup> ANNUAL REPORT FOR THE YEAR 2003-04

23<sup>rd</sup> SEPTEMBER, 2004

### : CONTENTS :

| ANNUAL REPORT 2003-04                                                        |          |
|------------------------------------------------------------------------------|----------|
| CONTENTS                                                                     | PAGE NO. |
| Last Ten Years At a Glance                                                   | 1        |
| Information to Members                                                       | 2        |
| Notice of Annual General Meeting                                             | 3-6      |
| Directors' Report                                                            | 7-10     |
| Corporate Governance Report                                                  | 11-15    |
| Statement u/s 212                                                            | 15       |
| Auditors' Report                                                             | 16       |
| Balance Sheet                                                                | 17       |
| Profit & Loss Account                                                        | 18       |
| Schedules & Notes on Accounts                                                | 19-24    |
| Cash Flow Statement                                                          | 24       |
| Annual Report of Gujarat Ambuja International Pte. Ltd. (As per Schedule VI) | 25-29    |
| Consolidated Financial Statements                                            | 30-37    |
| Proxy & Attendance Slip                                                      | 38       |

### SCHEDULE OF ANNUAL GENERAL MEETING

Date : 23rd September, 2004  
Day : Thursday  
Time : 11.00 A.M.  
Venue : GICEA (Gajjar Hall), Nirman Bhavan,  
Opp. Law Garden, Ellisbridge,  
Ahmedabad - 380 006.

**LAST TEN YEARS AT A GLANCE**

(Rs. in Crores)

| Particulars                        | Years          |               |               |               |               |               |               |               |               |              |
|------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
|                                    | 2003-04        | 2002-03       | 2001-02       | 2000-01       | 1999-00       | 1998-99       | 1997-98       | 1996-97       | 1995-96       | 1994-95      |
| <b>OPERATING RESULTS :</b>         |                |               |               |               |               |               |               |               |               |              |
| Total Sales                        | 1076.78        | 613.50        | 520.81        | 419.15        | 319.35        | 315.50        | 374.94        | 181.63        | 154.41        | 55.64        |
| (Including Exports: FOB)           | 504.28         | 218.33        | 251.27        | 222.78        | 143.93        | 162.53        | 186.92        | 151.76        | 107.98        | 25.95        |
| Other Incomes                      | 0.97           | 1.94          | 0.66          | 0.31          | 0.26          | 1.71          | 3.35          | 1.39          | 0.59          | 1.08         |
| <b>TOTAL REVENUE</b>               | <b>1077.75</b> | <b>615.44</b> | <b>521.47</b> | <b>419.46</b> | <b>319.61</b> | <b>317.21</b> | <b>378.29</b> | <b>183.02</b> | <b>155.00</b> | <b>56.72</b> |
| <b>OPERATING PROFIT (PBIDT)</b>    | <b>57.42</b>   | <b>35.52</b>  | <b>20.65</b>  | <b>21.78</b>  | <b>15.72</b>  | <b>10.24</b>  | <b>21.17</b>  | <b>10.38</b>  | <b>6.78</b>   | <b>3.07</b>  |
| Financial Expenses                 | 5.11           | 5.64          | 7.71          | 8.36          | 4.34          | 2.04          | 7.25          | 4.02          | 0.51          | 0.00         |
| Depreciation                       | 19.75          | 16.39         | 8.54          | 8.14          | 8.21          | 8.04          | 8.30          | 1.96          | 0.23          | 0.19         |
| Tax Provisions                     | 7.19           | 2.43          | 1.59          | 0.01          | 0.00          | 0.00          | 0.00          | 0.57          | 0.00          | 0.13         |
| <b>Net Profit</b>                  | <b>25.37</b>   | <b>11.06</b>  | <b>2.81</b>   | <b>4.28</b>   | <b>3.17</b>   | <b>0.16</b>   | <b>5.62</b>   | <b>3.83</b>   | <b>6.04</b>   | <b>2.75</b>  |
| <b>NET WORTH:</b>                  |                |               |               |               |               |               |               |               |               |              |
| Share Capital                      | 27.86          | 23.76         | 29.98         | 29.98         | 23.68         | 7.24          | 7.24          | 7.24          | 7.24          | 7.24         |
| Share Capital Suspense             | 0.00           | 0.00          | 0.00          | 0.00          | 0.00          | 16.44         | 16.44         | 0.00          | 0.00          | 0.00         |
| Reserves & Surplus                 | 184.77         | 161.34        | 151.33        | 162.37        | 168.66        | 168.74        | 171.66        | 13.72         | 10.75         | 5.63         |
| DTL                                | 21.36          | 15.68         | 18.16         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00         |
| <b>Total Net Worth (Incl. DTL)</b> | <b>233.99</b>  | <b>200.78</b> | <b>194.47</b> | <b>192.35</b> | <b>192.34</b> | <b>192.42</b> | <b>195.34</b> | <b>20.96</b>  | <b>17.99</b>  | <b>12.87</b> |
| <b>Gross Fixed Assets</b>          | <b>237.90</b>  | <b>237.04</b> | <b>229.88</b> | <b>222.14</b> | <b>230.28</b> | <b>193.80</b> | <b>192.20</b> | <b>13.46</b>  | <b>12.81</b>  | <b>10.09</b> |
| <b>Net Fixed Assets</b>            | <b>144.25</b>  | <b>164.10</b> | <b>173.31</b> | <b>173.80</b> | <b>188.90</b> | <b>159.61</b> | <b>165.67</b> | <b>10.92</b>  | <b>12.22</b>  | <b>9.72</b>  |
| <b>Dividend per share (Rs.)</b>    | <b>1.00</b>    | <b>0.60</b>   | <b>0.60</b>   | <b>0.50</b>   | <b>0.50</b>   | <b>0.00</b>   | <b>0.60</b>   | <b>1.20</b>   | <b>1.50</b>   | <b>1.20</b>  |

(Interim)

(Interim)

Note : (1) W.e.f. 1.4.97 Gujarat Ambuja Proteins Ltd. & Gujarat Ambuja Biotech Ltd. were amalgamated with Gujarat Ambuja Exports Limited.  
(2) W.e.f. 1.4.03 Jupiter Biotech Ltd. (Earlier known as Gujarat Vita Pharma Ltd.) was amalgamated with Gujarat Ambuja Exports Limited.

**ANNUAL REPORT 2003-2004**

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

Phone: 26423316-20 , 26405535-37 &amp; 39 Fax: 079-26423079

E-mail : [info@gujambexports.com](mailto:info@gujambexports.com) Website: [www.gujambexports.com](http://www.gujambexports.com)**13TH ANNUAL REPORT****BOARD OF DIRECTORS**

Shri Vijay Kumar Gupta, Chairman & Managing Director  
 Shri Manish Kumar Gupta, Managing Director  
 Shri P. G. Makhija, Executive Director  
 Smt. Sulochana Gupta  
 Shri Sandeep Agarwal  
 Shri Jagdish Sharan Varshneya  
 Shri Chaitan M Maniar  
 Shri Prakash G Ramrakhiani (Appointed on 08. 03. 2003)  
 Shri Ashok C Gandhi (Appointed on 24. 07. 2003)

**CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**

Shri Kaushik C. Khona

**AUDITORS**

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

**BANKERS**

Bank of India  
 Punjab National Bank

**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**

- |                                                                                |                                                                      |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------|
| 1. 100% EOU Cotton Spinning Division. Vil. Dalpur, Dist. Sabarkantha, Gujarat. | 2. Bio-Chemical Division Vil. Dalpur, Dist. Sabarkantha, Gujarat.    |
| 3. 100% EOU Solvent Extraction Unit-I Nani Kadi, Dist. Mehsana, Gujarat.       | 4. 100% EOU Solvent Extraction Unit-II Kadi, Dist. Mehsana, Gujarat. |
| 5. Solvent Extraction Unit-III Kadi, Dist. Mehsana                             | 6. Solvent Extraction Unit-IV Pithampur, Dist. Dhar (M.P)            |
| 7. Edible Oil Refineries & Vanaspathi Ghee Unit, Kadi, Dist. Mehsana Gujarat.  | 8. Wheat Processing Unit Kadi, North Gujarat                         |
| 9. Solvent Extraction Unit-V Jaipur, Rajasthan                                 |                                                                      |

**FOR ATTENTION OF ALL MEMBERS****A. GENERAL**

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

**B. DEMATERIALISATION :**

- Members are requested to note that the shares of the Company are under compulsory demat from 24-07-2000. Members are further requested to note that the Company has entered into agreements with NSDL & CDSL and script of the company has been activated under demat on 27.06.2000 & 23.02.2000 respectively. The ISIN No. INE036B01014 has been allotted to the Company. Members are requested to approach their DPs for dematerialisation of Equity Shares of the Company.
- Members and DPs are requested to send physical shares for dematerialisation only with Jupiter Corporate Services Limited or to the Company at "Ambuja Tower" Opp. Memnagar Fire Station, Navrangpura, P.O. Navjivan, Ahmedabad-380 014.

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

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

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

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

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

**Notice**

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of Members of GUJARAT AMBUJA EXPORTS LIMITED will be held on Thursday, the day of 23<sup>rd</sup> September, 2004 at 11.00 a.m. at GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006 to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2004, Profit & Loss Account for the year ended on that date, Directors' Report and Auditors' Report thereon.
2. To declare dividend on Equity Shares
3. To appoint a Director in place of Shri P G Makhija, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Smt. Sulochanaben Gupta, who retires by rotation and being eligible, offers herself for reappointment.
5. To appoint a Director in place of Shri Sandeep Agarwal, 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. **Revision in Terms of Remuneration of Shri Vijay Kumar Gupta, Chairman and Managing Director of the Company**

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

**RESOLVED THAT** in partial modification of earlier resolution passed by the members at the 11<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> December, 2002 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Shri Vijay Kumar Gupta, Chairman and Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) with effect from 1<sup>st</sup> April, 2004 for the remainder tenure of his contract i.e. upto 17<sup>th</sup> April, 2008 as set out in the draft Supplemental Agreement to be entered into between the Company and Shri Vijay Kumar Gupta, as submitted to this meeting and initialed by the Chairman of the meeting for the purpose of identification which supplemental agreement is approved with specific authority to Board of Directors of the Company to alter and vary the terms and conditions thereof including the remuneration so as not to exceed the limit set out in Section 198, 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Shri Vijay Kumar Gupta."

**"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 remainder of tenure of Shri Vijay Kumar Gupta, Chairman and 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 draft Supplemental Agreement aforesaid when the profits of the Company are adequate."

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

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

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

8. **Revision in Terms of Remuneration of Shri Manish Gupta, Managing Director of the Company**

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

**RESOLVED THAT** in partial modification of earlier resolution passed by the members at the 12<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2003 and in accordance with provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the variation in the terms of remuneration of Shri Manish Gupta, Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) with effect from 1<sup>st</sup> April, 2004 for the remainder tenure of his contract i.e. upto 27<sup>th</sup> December, 2008 as set out in the draft Supplemental Agreement to be entered into between the Company and Shri Manish Gupta, as submitted to this meeting and initialed by the Chairman of the meeting for the purpose of identification which supplemental agreement is approved with specific authority to Board of Directors of the Company to alter and vary the terms and conditions thereof including the remuneration so as not to exceed the limit set out in Section 198, 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Shri Manish Gupta."

**"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 remainder of tenure of Shri Manish Gupta, 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 draft Supplemental Agreement aforesaid when the profits of the Company are adequate."

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

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

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

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

RESOLVED THAT in accordance with provisions of Section 198, 269, 309 and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the re-appointment of Shri P G Makhija as an Executive Director for further period of 3 years with effect from 28<sup>th</sup> December, 2004 for overall supervision, management and administration of 100% EOU Cotspin Division (Himatnagar) on the terms and conditions, including that of remuneration as set out in the explanatory statement annexed to this notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) with specific authority to Board of Directors of the Company to alter and vary the terms and conditions thereof including the remuneration so as not to exceed the limit set out in Section 198, 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Shri P G Mahija

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

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

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

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

**By order of the Board**

Place : Ahmedabad  
Date : 31st July, 2004

**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 22<sup>nd</sup> September, 2004 to 23<sup>rd</sup> September, 2004 (both days inclusive).
3. Dividend, if any, declared at the meeting will be payable to those members whose name appears in the Company's Register of Members on 23<sup>rd</sup> September, 2004. 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 dividend upto 1995-96 have been deposited with Central Government, and unclaimed dividend for the year 1996-97 & onwards will be deposited with the Central Government as per following chart. Those members who have not encashed the Dividend warrant are therefore requested to immediately forward the same, duly discharged to the company's Share Transfer agent to facilitate payment of the dividend.

| Financial Year | Date of AGM           | Date of Dividend Warrant | Due Date of Transfer to Unpaid Account | Due Date of accepting claim by Company | Due Date for Transfer to Investor Protection Fund |
|----------------|-----------------------|--------------------------|----------------------------------------|----------------------------------------|---------------------------------------------------|
| 1996-97        | 24.09.97              | 04.11.97                 | 11.11.97                               | 24.09.2004                             | 11.11.2004                                        |
| 1997-98        | 30.03.99              | 10.05.99                 | 17.05.99                               | 30.03.2006                             | 17.05.2006                                        |
| 1998-99        | No dividend declared. |                          |                                        |                                        |                                                   |
| 1999-00        | 29.09.00              | 09.11.00                 | 16.11.00                               | 29.09.2007                             | 16.11.2007                                        |
|                | Interim : Note:1      |                          |                                        |                                        |                                                   |
| 2000-01        | 25.09.01              | 09.11.00                 | 09.11.00                               | 09.11.2007                             | 09.11.2007                                        |
|                | Interim : Note 2      |                          |                                        |                                        |                                                   |
| 2001-02        | 25.02.03              | 26.03.03                 | 02.04.03                               | 25.02.2010                             | 02.04.2010                                        |
| 2002-03        | 30.09.03              | 26.03.03                 | 13.04.03                               | 26.03.2010                             | 13.04.2010                                        |
|                | Interim : Note 3      |                          |                                        |                                        |                                                   |

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

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

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

5. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic Share accounts and to the Company at its Registered Office in respect of their physical Share folios, if any.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Sundays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
7. **Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.**
8. Appointment/ Re-appointment of Directors (Pursuant to Clause 49 of Listing Agreement)

At the ensuing Annual General Meeting, Shri P G Makhija, Smt. Sulochanaben Gupta and Shri Sandeep Agarwal, retire by rotation and being eligible offer themselves for reappointment. The information or details to be provided for the aforesaid Directors under the Corporate Governance code are as under:

- (a) Shri P G Makhija aged 46 years with qualification of M.Com., LL.B., ACS, CAIIB-I, has an experience of 26 years in the field of finance, commerce, management and administration and as overall in charge of the Cotspin Division's manufacturing & marketing operations since last 8 years. He is also on the Board of Ekta Deviles Pvt. Ltd.
- (b) Smt. Sulochanaben Gupta aged 51 years is industrialist and promoter of the Company and possesses rich experience of 27 years. She supervises and monitors administrative functions of the Company. Her contribution to maintenance and up keeping of the assets of the Company is significant. She also actively contributes in the policy decisions

of the Company. She is on the Board of Maharashtra Ambuja Exports Limited and Maharashtra Ambuja Biotech Limited. She is also Chairman of Shareholders'/ Investors' Grievances Redressal Committee and Member of Remuneration Committee of the Company.

- (c) Shri Sandeep Agarwal, aged 33 years is a MBA and associated as Director with the Company since 1995. He is also member of Audit Committee, Remuneration Committee and Shareholders'/ Investors' Grievances Redressal Committee of the Company. He provides his valuable advice in the capacity of professional Director. He is not on the Board of any other company.

#### ANNEXURE TO NOTICE

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

#### ITEM NO. 7 & 8

#### Revision in Terms of Remuneration of Shri Vijay Kumar Gupta, Chairman and Managing Director of the Company and Shri Manish Gupta, Managing Director

Re-Appointment of Shri Vijay Kumar Gupta as Managing Director for a period of 5 years w.e.f. 18<sup>th</sup> April, 2003 was approved by the Remuneration Committee, Board of Directors and Members at the Annual General Meeting held on 19<sup>th</sup> October, 2002, 30<sup>th</sup> October, 2002 and 31<sup>st</sup> December, 2002 respectively at Salary of Rs. 1,00,000/- p.m. and perquisites, taxable value of which not exceeding Rs. 50,000 p.m.

Shri Vijay Kumar Gupta is aged 54 years with qualification of B.D.S. and managerial experience of 32 years. He is an industrialist and promoter Director and is main contributory to the growth and development of the Company and Gujarat Ambuja Exports group. He is also on the Director of three other companies namely Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited and Gujarat Ambuja International (Pte) Limited, Singapore. He also holds Chairmanship of Share Transfer committee and member of Shareholders'/ Investors' Grievances Redressal Committee of the Company.

Re-Appointment of Shri Manish Gupta as Managing Director for a period of 5 years w.e.f. 28<sup>th</sup> December, 2003 was approved by the Remuneration Committee, Board of Directors and Members at the Annual General Meeting held on 24<sup>th</sup> July, 2003, 24<sup>th</sup> July, 2003 and 30<sup>th</sup> September, 2003 respectively at Salary of Rs. 1,00,000/- p.m. and perquisites, taxable value of which not exceeding Rs. 50,000 p.m.

Shri Manish Gupta is a young and dynamic entrepreneur and commerce graduate. is aged 33 years with graduation in commerce and managerial experience of 14 years. He is main contributory to the growth and development of the Company and Gujarat Ambuja Exports group. He is also Director of other Companies namely Maharashtra Ambuja Exports Limited, Maharashtra Ambuja Biotech Limited, Gujarat Ambuja International Pte. Ltd, incorporated at Singapore, Reliance Exports (Private) Ltd., Sri Lanka, The Soyabean Processing Association of India and The Solvent Extractors' Association of India. He also holds member of Share Transfer committee of the Company.

Considering the increased activities, responsibilities and contribution of Shri Vijay Kumar Gupta and Shri Manish Gupta in development and growth of the Company, Remuneration Committee and the Board of Directors, subject to approval of members at the General Meeting, have considered and approved the revision in terms of their Remuneration for remainder tenure of both the Managing Director w.e.f. 1<sup>st</sup> April, 2004 as per draft supplemental agreements placed before the meeting. All other terms and conditions of appointment as approved at the time of their respective re-appointment will remain unchanged.

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

#### 1. Remuneration :

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

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

#### CATEGORY : A

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

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

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

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

e) **Personal Accident Insurance & Life Insurance** : Annual Premium on personal Accident shall not exceed Rs.5000/- per month. 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.

#### CATEGORY :B

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

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

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

#### CATEGORY : C

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

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

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

#### CATEGORY : D

**Commission**: In addition to the salary, perquisites and allowances payable, commission as may be decided by the Board of Directors at the end of each Financial year

calculated with reference to the net profits of the Company in a particular Financial Year including for the year ended 31<sup>st</sup> March, 2004 and thereafter, subject to the overall ceiling stipulated in Section 198 and 309 of the Companies Act, 1956.

## 2. 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 on 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 Schedule XIII of the Companies Act, 1956.

All other terms and conditions of appointment of Shri Vijay Kumar Gupta and Shri Manish Gupta, as approved by the members at the Annual General Meetings of the Company held on 31<sup>st</sup> December, 2002 and 30<sup>th</sup> September, 2003 as contained in main Agreement remained unchanged for remainder of their respective tenure.

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

Shri Vijay Kumar Gupta and Shri Manish Gupta are interested in their respective resolutions and Shri Manish Gupta and Smt. Sulochanaben Gupta are interested as relatives for Item No. 7 and Shri Vijay Kumar Gupta and Smt. Sulochanaben Gupta are interested as relatives for Item No. 8 of the Notice. No other Director of the Company is anyway directly or indirectly concerned or interested in the said resolutions.

This may also be treated as an abstract of terms of the respective draft supplemental Agreements between the Company and Shri Vijay Kumar Gupta and Shri Manish Gupta and Memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

The approval of members of the Company is therefore sought to approve variation in terms of remuneration of Chairman and Managing Director, Shri Vijay Kumar Gupta and Managing Director Shri Manish Gupta under Section 269 of the Companies Act, 1956.

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

## ITEM NO. 9

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

Shri P G Makhija was appointed as an Executive Director of the Company with effect from 28<sup>th</sup> December, 1998 for period of three years and subsequently re-appointed for the further period of three years with effect from 28<sup>th</sup> December, 2001 by the members of the Company at the 10<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2001. Shri P G Makhija is working successfully as an Executive Director of the Company. With the dedicated efforts of Shri P G Makhija, the Cotspin Division has performed exceedingly well during last six years. The term of appointment of Shri P G Makhija will expire on 27<sup>th</sup> December, 2004.

Shri P G Makhija aged 46 years with qualification of M.Com., LL.B., ACS, CAIIB-I, has an experience of 26 years in the field of finance commerce, management and administration and as overall in charge of the Cotspin Division's manufacturing & marketing operations since last 8 years. He is also on the Board of Ekta Deviles Pvt. Ltd.

The Remuneration Committee and the Board of Directors, subject to approval of members at the General Meeting, have considered and approved re-appointment of Shri P G Makhija as an Executive Director w.e.f. 28<sup>th</sup> December, 2004 as per terms and conditions of remuneration as set out hereinunder :

The Terms of re-appointment and remuneration to be paid to Shri P G Makhija as Executive Director of the Company, inter alia, subject to the limit prescribed in Part II of Schedule XIII of

the Companies Act, 1956 are as under :

1. **Salary :** Rs. 70000-5000-80000 per month
2. **Commission on Profit :** Nil
3. **Perquisites :**
  - a) Medical Reimbursement: For self and family, as per rules of the Company, subject to a ceiling of Rs. 15000 per annum.
  - b) Leave Travel Concession : Once in a year as per the rules of the Company.
  - c) Club Fees : Fees of Clubs subject to a maximum of two clubs This will not include payment of admission and life membership fees
  - d) Personal Accident Insurance : Annual Premium on personal Accident shall not exceed Rs. 5000/- per annum.
  - e) Company's Contribution towards Provident Fund : As per the rules of the Company but not exceeding 12 percent of the salary as laid down under the Income Tax Rules, 1962.
  - f) Gratuity : Not exceeding half-a-month's salary for each completed year of services.
  - g) Chauffeur Driven Car : For use of Company's Business shall be provided.
  - h) Telephone : Two Telephones at residence & Mobile Phone will be provided which will not be treated as perquisite. The Company shall bill personal long distance calls.
  - i) Reimbursement of Expenses : He shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.
  - j) Leave entitlement : As per rules of the Company.
  - k) Minimum Salary : In the absence or inadequacy of profits in any financial year the Executive Director shall get the salary and shall be entitled all other perquisites and benefits without any corresponding changes or alterations subject to the ceiling as may be applicable to him and or to the Company in view of provisions of Schedule XIII of the Companies Act, 1956.
4. **Other Terms and conditions :**
  - a) In the event of cessation of office during any financial year, a rateable proportion of the aforesaid remuneration shall be payable by the company.
  - b) Executive Director may resign office, subject to three calendar month's notice.
  - c) Executive Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

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

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

Your Directors are of the opinion that the re-appointment of Shri P G Makhija as an Executive Director of the Company would result in the better performance of the Company and accordingly recommend passing the resolution proposed at Item No. 9 of the Notice.

**By order of the Board**

Place : Ahmedabad

Date : 31<sup>st</sup> July, 2004

**Vijay Kumar Gupta**  
Chairman and Managing Director

**Directors' Report and Management Discussion**

To,

The Members,

Gujarat Ambuja Exports Limited.

We have pleasure in presenting our 13<sup>th</sup> report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2004.

**FINANCIAL RESULTS**

The summary of the Financial results is given below:

|                                                                                                                                     | (Rs in Crores)   |                  |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>PARTICULARS</b>                                                                                                                  | <b>2003-2004</b> | <b>2002-2003</b> |
| TOTAL TURNOVER                                                                                                                      | <b>1086.48</b>   | 621.35           |
| INCLUDING EXPORTS(F.O.B.)                                                                                                           | <b>504.28</b>    | 218.33           |
| PROFIT BEFORE INTEREST,<br>DEPRECIATION AND TAXES                                                                                   | <b>57.42</b>     | 35.52            |
| LESS:                                                                                                                               |                  |                  |
| INTEREST                                                                                                                            | <b>5.11</b>      | 5.64             |
| DEPRECIATION                                                                                                                        | <b>19.75</b>     | 16.39            |
| PROVISION FOR TAXATION<br>(INCL.DEFERED TAX)                                                                                        | <b>7.19</b>      | 2.43             |
| <b>NET PROFIT FOR THE YEAR</b>                                                                                                      | <b>25.37</b>     | 11.06            |
| ADD :BALANCE OF THE PROFIT<br>CARRIED FROM EARLIER YEAR                                                                             | <b>24.71</b>     | 20.92            |
| ADD: BALANCE OF PROFIT &<br>LOSS ACCOUNT IN PURSUANCE<br>OF SCHEME OF AMALGAMATION                                                  | <b>0.02</b>      | Nil              |
| <b>TOTAL PROFIT AVAILABLE FOR<br/>APPROPRIATION</b>                                                                                 | <b>50.10</b>     | 31.98            |
| <b>APPROPRIATED AS UNDER</b>                                                                                                        |                  |                  |
| DIVIDEND( 10% P.A.), PREVIOUS YEAR<br>(INTERIM DIVIDEND PAID NET OF<br>EXCESS PROVISION OF EARLIER<br>YEAR 6%P.A ., SUBJECT TO TAX) | <b>2.79</b>      | 1.05             |
| PROVISION FOR DIVIDEND<br>DISTRIBUTION TAX                                                                                          | <b>0.34</b>      | Nil              |
| TRANFERRED TO CAPITAL<br>REDEMPTION RESERVE                                                                                         | <b>Nil</b>       | 6.22             |
| <b>TOTAL APPROPRIATION</b>                                                                                                          | <b>3.13</b>      | 7.27             |
| NET BALANCE IN THE P & L ACCOUNT<br>CARRIED TO BALANCE SHEET                                                                        | <b>46.97</b>     | 24.71            |

**DIVIDEND**

During the year under report, performance and operations of the your Company as compared to the last year has improved. The directors are pleased to therefore recommend a higher dividend at 10% p.a. for the financial year 2003-04, which will be paid to the members whose names appear on the register of members on 23<sup>rd</sup> September, 2004, subject to the approval at the ensuing Annual General meeting.

**PERFORMANCE REVIEW FOR THE YEAR 2003-04**

The buoyancy in the Indian economy as a whole and the Agro processing sector in particular, gained momentum during the year under review. India's GDP is estimated to have doubled to 8.1% as compared to 4.0% in the previous year. The strong domestic economy, a resurgent capital market and the improved foreign exchange reserves have instilled confidence in the Indian corporate sector.

The general economic well-being, increased demand for Agro based commodities and the continuing efforts of the Company in improving capacity utilization at all plants, cost effectiveness, productivity, better product-mix and initiatives to add value to

its customer, resulted into another year of better and improved performance.

The Company's efforts in this direction have lead to better operational and financial performance reflected by increase in turnover from Rs. 621.35 Crores in the previous year to Rs. 1086.48 Crores during the F.Y. 2003-04 and the operating profits before interest, depreciation and taxation have improved substantially from Rs. 35.52 Crores last year to Rs. 57.52 Crores during F.Y. 2003-04. The Net Profit after Tax has also improved from Rs. 11.06 Crores in previous year to Rs. 25.37 Crores in F.Y. 2003-04.

**CURRENT YEAR'S OUTLOOK**

The year 2004-05 began with Election and post political uncertainty coupled with delayed monsoon, leading to unpredictable future for industrial development and sustainability of growth. As you are aware, the Agro processing industry is highly sensitive to monsoon and seasonal factor. However, considering the foundation established by the Company, and alternative available for imports of the raw materials, barring unforeseen circumstances, the Company is hopeful to sustain its growth path.

The Board is happy to report that even for the period of 3 months ended 30<sup>th</sup> June 2004 the company has been able to achieve a turnover of more than Rs.262 Crores, which depicts a growth of 25% of the turnover in the corresponding period of last year of Rs. 209 Crores. Further considering the turnover pattern in all the quarters for the financial year 2003-04 and also for the first quarter of this year, the company is able to sustain the operations through out the year and is out of the typical seasonality factor affecting the agro-processing industry. The company however has plans to improve the operations in the peak season with even more operations in the various agro processed commodities.

Further during the quarter ended 30<sup>th</sup> June, 2004 the company has reported a net profit of Rs. 7.39 Crores, which is high as compared to the profit of corresponding period in the last year of Rs. 6.11 Crores. Besides, the company has also set up a strong dealer /Distributor network particularly in the Northern, Central & Western India, where the company hopes to penetrate further. Thus the company has set up a strong base to look further towards achieving better growth during the current year.

**JUPITER BIOTECH LIMITED-SCHEME OF AMALGAMATION**

At the Court convened meetings held on 30<sup>th</sup> September, 2003, members had approved the Amalgamation of Jupiter Biotech Limited with the Company, subject to sanction of Hon'ble High Court of Gujarat under Section 391 and 394 of the Companies Act,1956. The Hon'ble High Court of Gujarat at Ahmedabad had, by its order dated 2.12.2003, certified copy of which received on 23.12.2003, sanctioned the Scheme of Amalgamation of Jupiter Biotech Limited with the Company. The order was filed with the Registrar of Companies, Gujarat at Ahmedabad on 24.12.2003. Consequent to the Scheme becoming effective, as per provisions of the Scheme 40,98,000 Equity Shares of Rs. 10/- each of the Company were issued by the Board of Directors at its meeting held on 31.01.2004 to members of Jupiter Biotech Limited, whose names appeared on the Register of Members/ as beneficial owner of the shares of Jupiter Biotech Limited as on record date of 30<sup>th</sup> January,2004.

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

The Company continues to comply with the requirements of the Listing Agreement with the Stock Exchanges where the Company's shares are listed. A separate report on Corporate Governance, along with a certificate from the Auditors



confirming the compliance is annexed and forms part of the Directors' Report.

## **B: MANAGEMENT DISCUSSION & ANALYSIS**

### **OVERALL REVIEW**

The year 2003-2004 recorded many land mark performances for the company.

1. The Company achieved the highest turnover at Rs.1086 Crores, surpassing the target set up by the Board. This is high by 75% over the turnover achieved last year.
2. The Exports for the year under consideration were at Rs.521 crores which were substantially high as compared to Rs.233 crores of the last year.
3. The company was highest exporter of the Ground Nut Oil during the year under consideration, exporting almost 40% of India's aggregate exports.
4. The company has further saved on the financial cost by getting cheaper funds and reduced the finance and interest charges by almost 27% as compared to last year inspite of increase in the utilized bank limits.

### **SEGMENT WISE PERFORMANCE**

The company's presence is in Cotton Yarn and other Agro processed products.

#### **COTTON YARN- INDUSTRY STRUCTURE AND DEVELOPMENT**

This unit is mainly engaged in manufacture of 100% Cotton Yarn by producing Ring Spun and Open End yarn. The average count spun by the company is in the range of 20s to 40s in Ring spinning and of 4s in Open end. The market is dominated by around 12 major manufacturers with no single manufacturer having more than 10% share in the market. The Company has been facing tough competition from various players in the market but because of its focus on quality improvement, the company has been able to not only compete but also realise the prices normally realised by the competitors in each product segment.

The 100% EOU status of the Company enables the company to focus on exports better.

The company is aware that from the dawn of 1.1.2005, the quota regime in textiles would go off as per the WTO and GATT agreement. The company sees this as a major opportunity for exports of quality yarn to the developed countries and is working out ambitious plan to increase the production capacity of Ring spun yarn.

The outlook of this industry is quite positive and enthused by the better performance the company has acquired balancing equipments during the financial year to improve the production. The recent budget presented by the Honourable Finance Minister also stresses the importance of the textile industry in the growth of India's exports and capability to compete internationally.

The company believes that with the increase in the capacity and the production together with focused efforts in modernizing its plants and improving the efficiencies would enable to reduce the operating cost and thereby improve profitability.

The Board is happy to report that the company has been able to optimize the production at new levels.

### **PERFORMANCE EVALUATION**

Cotton Yarn division performed better than last year. The company has increased the production of Cotton Yarn by more than 37% during the year under consideration and even

turnover reached Rs. 140 Crores as compared to Rs. 102 Crores last year.

By optimizing operational cost as well as by deploying the cost effective means of operations, the company was able to improve its profitability. Cotton Yarn segment reported a segment profit of Rs. 16.89 Crores as compared to Rs. 11.48 Crores in the last year showing a growth of 47% in operational profitability.

The Cotton yarn is being sold to more than 35 countries all round the globe and we have been receiving repeat orders.

### **OTHER AGRO PROCESSING ACTIVITIES**

The company is further engaged in agro processing of Oil seeds, refining of Oil, processing Maize and Wheat. The agro processing industry as always faces tough challenges from the competitors within India as well as from outside. The company has although been managing to withstand the competition as well as the fluctuations in the product prices by employing proper hedging policies to minimize the outstanding exposure in the stocks as well as the forex.

Through processing of Oil seeds the Company receives edible oil which is sold in domestic markets while the Deoiled cakes are mainly exported. While from Maize the company produces Starch, Liquid Glucose, Dextrose Monohydrate Powder, Malto Dextrine Powder and other by-products. The company also manufactures Wheat flour and other by-products from wheat. The products are being sold to MNCs, Institutions including Pharmaceutical and FMCG companies as also through well spread dealer and distributors' network throughout India.

### **PERFORMANCE EVALUATION**

During the year under review the company's activity of Agro Processing improved whereby it sold a total volume of 5.52 lakh tons of Agro Processed products as compared to 3.70 lakhs Tons last year. The company has been able to improve the turnover by focusing on better values and value addition and also by seizing the opportunities available due to better monsoon and improved market procurement strategies.

Agro Processing turnover witnessed an increase of around 74% and even the segment result of the Agro Processing Division was better at Rs. 26.90 Crores as compared to Rs. 10.06 Crores last year.

### **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 differ materially from those expressed in the statement. Important factors that could influence the Company's operations include demand and supply conditions, availability of inputs and their prices both domestic and global, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

### **ACCREDITATION AND REMARKABLE ACHIEVEMENTS**

The company continued its journey to growth as per its commitment.

### ACCREDITATION AND AWARDS

The company's performance by recording the turnover at Rs.1086 crores has won itself a ranking of 129<sup>th</sup> as the top companies ranked by turnover of the Corporate India.

The company has been the highest exporter of the Ground Nut Oil for the exports made in the financial year 2003-04.

The company has also achieved various other awards including the 2<sup>nd</sup> best Manufacturer Exporter award for the Soyabean Solvent Extraction for the year 2002-03. Besides it also won the GLOBOLIL Bronze award-2003 for being the highest exporter of Oil-meals in the year 2002-03. It also won the Solvent Extractors' Association (SEA) award for being the second highest exporter of the Rapeseed Extraction for the performance in the year 2002-03. The company hopes to be recognized for similar efforts this year.

Besides it has also won award for the second largest exporter from ICD Sabarmati.

### CAPITAL

The Company had proposed a Scheme of Amalgamation for the shareholders of the Jupiter Biotech Limited (formerly known as Gujarat Vita Pharma Limited) which after necessary approvals and/or sanctions from the members, creditors, appropriate authorities received approval of Hon'ble High Court of Gujarat vide its order dated 02.12.2003 certified copy which was received on 23.12.2003 and also registered with the office of Registrar of Companies, Gujarat on 24.12.2003. Pursuant to the said Scheme of Amalgamation, the Company issued 40,98,000 Equity Shares of Rs. 10/- aggregating to Rs. 4,09,80,000/- each to eligible members of erstwhile Jupiter Biotech Limited and after said allotment Issued, Subscribed and Paid up share capital of the Company increased from Rs. 23,76,56,980/- to Rs. 27,86,36,980/-

### FINANCE AND INSURANCE

#### WORKING CAPITAL

The Company has strong Financial Structure and leverage. The Company has received excellent support from its present bankers i.e. Bank of India and Punjab National Bank. Due to increased volume of exposure, the Company has planned to increase Consortium strength by inducting new members.

The Company has given further requirement for the year 2004-2005 to Bank of India where projection to increase the funds & non fund based limits is being considered.

#### TERM LOANS

The company had availed a term loan under the Textile Up-gradation Scheme of the Ministry of Textiles which was prepaid in May, 2003 and accordingly as on 31-03-2004 the company had no outstanding term loan.

#### INSURANCE

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

#### PUBLIC DEPOSITS

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

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

**Listing** : At present, Equity Shares of the Company are listed on the Stock Exchange Ahmedabad, the Stock Exchange, Mumbai and National Stock Exchange of India Ltd. The Company has duly paid annual Listing fees due for the year 2004-2005 to respective Stock Exchanges.

**Voluntary De-listing** : Pursuant to approval of Members of the Company at 12<sup>th</sup> Annual General Meeting, the Company had applied for voluntary de-listing of its Equity Shares from Delhi Stock Exchange Association Limited (DSE) and Jaipur Stock Exchange Limited (JSE). In response to the Company's applications, de-listing approval from Delhi Stock Exchange w.e.f. 29.12.2003 vide its letter dt. 26.12.2003 and from Jaipur Stock Exchange w.e.f. 30.01.2003 vide its letter dt. 9.2.2004 were also received.

**Dematerialisation** : The Equity Shares of the Company are under compulsory demat from 24/7/2000. The Company has already entered into agreement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) and ISIN No. for the equity shares of the Company is INE036B01014.

### THE DIRECTORS AND OTHER EXECUTIVES

The Company is well supported by the knowledge and experience of its Directors and Executives. Pursuant to the Provisions of the Companies Act and Articles of Association of the Company Shri P G Makhija, Smt. Sulochjanben Gupta and Shri Sandeep Agarwal, the Directors of the Company are liable to retire by rotation and being eligible for re-appointment have offered themselves for re-appointment.

The Remuneration Committee and Board of Directors of the Company at their respective meetings held on 29<sup>th</sup> July, 2004, has recommended and approved, subject to approval of members at the ensuing Annual General Meeting, revision in terms and conditions of remuneration of Shri Vijay Kumar Gupta and Shri Manish Gupta, Managing Directors w.e.f. 1.4.2004 for remainder of their respective tenure and re-appointment of Shri P G Makhija as an Executive Director for further period of 3 years w.e.f. 28<sup>th</sup> December, 2004. The Board recommends approval for revision & re-appointment of above Directors of the company.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) that in respect of the accounts for the financial year ended 31<sup>st</sup> March 2004, the applicable accounting standards have been followed;
- (2) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- (3) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) that the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2004 on a 'going concern' basis.

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

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

### PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

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

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

### AUDITORS AND AUDITORS' REPORT

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

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

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place: Ahmedabad

Date : 31<sup>st</sup> July, 2004

**Vijay Kumar Gupta**

**Chairman & Managing Director**

### ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Board of Directors Report) Rules, 1988 and forming part of the Directors' Report for the Financial Year Ended 31.03.2004

### CONSERVATION OF ENERGY

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

The Company has formed a strong technical department headed by a senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technological upgradation of plant & machinery, in various units. The Company has plans to install energy efficient devices in the new projects also.

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

| FORM – "A"                                                                                                                                               |     |            |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|------------|
|                                                                                                                                                          |     | 2003-2004  | 2002-2003  |
| <b>A) POWER AND FUEL CONSUMPTION :</b>                                                                                                                   |     |            |            |
| <b>[A] AGRO PROCESSING :</b>                                                                                                                             |     |            |            |
| 1) Electricity                                                                                                                                           |     |            |            |
| a) Purchased :                                                                                                                                           |     |            |            |
| Unit                                                                                                                                                     |     | 5395840    | 6010108    |
| Total Amount                                                                                                                                             | Rs. | 29265706   | 32015795   |
| Rate/Unit                                                                                                                                                |     | 5.42       | 5.33       |
| Cost of Consumption per unit of Production (M.T.)                                                                                                        | Rs. | 55.95      | 144.32     |
| b) Own Generation                                                                                                                                        |     |            |            |
| i) Through Diesel Generator Unit                                                                                                                         |     |            |            |
| Ltrs. (Diesel)                                                                                                                                           |     | 6806777    | 4812166    |
| Total Amount                                                                                                                                             | Rs. | 87745133   | 55483793   |
| Rate/Unit                                                                                                                                                |     | 12.89      | 11.53      |
| Cost of Consumption per Unit of Production (MT)                                                                                                          | Rs. | 167.74     | 250.12     |
| ii) Through Steam Turbine                                                                                                                                |     |            |            |
| Coal :                                                                                                                                                   |     | Nil        | Nil        |
| Qty. (M.T.) Lignite                                                                                                                                      |     | 44532.310  | 37398.278  |
| Total Cost                                                                                                                                               | Rs. | 67929965   | 49187230   |
| Avg. Rate                                                                                                                                                | Rs. | 1525.41    | 1315.23    |
| Cost of Consumption per Unit of Production (M.T.)                                                                                                        | Rs. | 129.86     | 221.73     |
| 3) Furnace Oil ( Not used )                                                                                                                              |     |            |            |
| 4) Others/Internal Generation                                                                                                                            |     |            |            |
| Steam from Heat Recovery Boiler                                                                                                                          |     | Nil        | Nil        |
| Qty.                                                                                                                                                     |     | N.A        | N.A        |
| Total Cost                                                                                                                                               | Rs. | N.A        | N.A        |
| Rate/Unit                                                                                                                                                | Rs. | N.A        | N.A        |
| Cost of Consumption per Unit of Production (M.T.)                                                                                                        | Rs. | N.A        | N.A        |
| <b>[B] COTTON YARN UNIT :</b>                                                                                                                            |     |            |            |
| 1) Electricity                                                                                                                                           |     |            |            |
| a) Purchased :                                                                                                                                           |     |            |            |
| Unit                                                                                                                                                     |     | 656752     | 1064192    |
| Total Amount                                                                                                                                             | Rs. | 3185716    | 5089182    |
| Rate/Unit                                                                                                                                                |     | 4.85       | 4.78       |
| Cost of Consumption per Unit of Production (Kg.)                                                                                                         | Rs. | 0.27       | 0.52       |
| b) Own Generation :                                                                                                                                      |     |            |            |
| i) Through Diesel Generator Unit                                                                                                                         |     |            |            |
| Ltrs. (Diesel)                                                                                                                                           |     | 10925363   | 9808489    |
| Unit Generated                                                                                                                                           |     | 40186380   | 37298425   |
| Total Amount                                                                                                                                             | Rs. | 106535567  | 94864970   |
| Rate/Unit                                                                                                                                                |     | 2.65       | 2.54       |
| Cost of Consumption per Unit of Production (Kg.)                                                                                                         | Rs. | 8.98       | 9.63       |
| ii) Through Steam Turbine                                                                                                                                |     |            |            |
| Generation Units                                                                                                                                         |     | Nil        | Nil        |
| Units per Lt. Of Fuel/Oil/ Gas                                                                                                                           |     | Nil        | Nil        |
| Cost/Unit                                                                                                                                                |     | Nil        | Nil        |
| 2) Coal (Not Used)                                                                                                                                       |     |            |            |
| 3) Furnace Oil (Not Used)                                                                                                                                |     |            |            |
| 4) Others/Internal Generation (None)                                                                                                                     |     |            |            |
| <b>[B] TECHNOLOGY ABSORPTION</b>                                                                                                                         |     |            |            |
| <b>a) 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 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. |     |            |            |
| <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                                                                   |     |            |            |
| <b>c). Foreign Exchange earning/outgo :</b>                                                                                                              |     |            |            |
|                                                                                                                                                          |     | 2003-2004  | 2002-2003  |
|                                                                                                                                                          |     | RS.        | RS.        |
| <b>Foreign Exchange Earned :</b>                                                                                                                         |     |            |            |
| FOB Value of Sales (Including Warehouse Charges)                                                                                                         |     | 5042774517 | 2183286174 |
| Sales of Assets                                                                                                                                          |     | Nil        | Nil        |
|                                                                                                                                                          |     | 5042774517 | 2183286174 |
| <b>Foreign Exchange Used :</b>                                                                                                                           |     |            |            |
| Capital Goods (CIF Value)                                                                                                                                |     | 18797715   | 41738471   |
| Trading Purchases (CIF Value)                                                                                                                            |     | 1944112528 | 416150436  |
| RM, Stores & Consumables (CIF Value)                                                                                                                     |     | 381095616  | 191359858  |
| Foreign Traveling, Interest, Bank Charges etc.                                                                                                           |     | 29419310   | 10810067   |
| Exports Claims                                                                                                                                           |     | 2190932    | 63955478   |
| Overseas Commission                                                                                                                                      |     | 23681196   | 15988275   |
| Port Charges                                                                                                                                             |     | Nil        | Nil        |
| Membership & Subscription                                                                                                                                |     | 238690     | 135674     |
| <b>Total.....</b>                                                                                                                                        |     | 2399535987 | 740138259  |

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

At Gujarat Ambuja Exports Limited, our pursuit towards achieving good governance is an ongoing process, thereby ensuring truth, transparency, accountability and responsibility in all our dealings with our employees, shareholders, consumers, suppliers and community at large. To that end, the Company has always focused on good corporate governance- which is a key driver of sustainable corporate growth and long term value creation.

Corporate Governance is not merely compliance and not simply a matter of creating checks and balances, which we indeed do- it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to consumer need, shareholder value creation and employee growth, thereby delighting 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.

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

The Company believes that a better Corporate Governance can be achieved through increased transparency in its operations and has taken and will continue to take various measures towards the fulfillment of the spirit enshrined in the amended provisions of the Listing Agreement.

**2. Board of Directors**

The Board of Directors appointed Mr. Prakash G Ramrakhiani and Shri Ashok C Gandhi as Additional Directors on its Board at its meeting held on 8<sup>th</sup> March, 2003 and 24<sup>th</sup> July, 2003 respectively. Their appointment was confirmed by the members at the 12<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2003. At Present, the Company's Board of Directors is comprised of nine (9) Directors. Of the said Directors, 6 (six) Directors (more than 50%) are Non-executive Directors. Likewise 6 (six) Directors (more than 50%) are independent Directors.

**(A) The details as to Category of present Directors are furnished hereunder:**

| Sr. No. | Name of Director         | Category of Director                      |
|---------|--------------------------|-------------------------------------------|
| 1       | Vijay Kumar Gupta        | Executive Director & Promoter             |
| 2       | Manish V. Gupta          | Executive Director & Promoter             |
| 3       | Sulochanaben Gupta       | Non-Executive Director & Promoter         |
| 4       | P.G. Makhija             | Executive Director & Independent Director |
| 5       | Sandeep Agarwal          | Non-Executive & Independent Director      |
| 6       | Jagdish Sharan Varshneya | Non-Executive & Independent Director      |
| 7       | Chaitan M Maniar         | Non-Executive & Independent Director      |
| 8       | Prakash G Ramrakhiani    | Non-Executive & Independent Director      |
| 9       | Ashok C Gandhi           | Non-Executive & Independent Director      |

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

During the financial year 2003-04, eight (8) meetings of the Board of Directors were held on the following dates.

| Sr.No | Date of Meeting                  | Sr.No. | Date of Meeting (contd.)        |
|-------|----------------------------------|--------|---------------------------------|
| 1     | 30 <sup>th</sup> April, 2003     | 5      | 31 <sup>st</sup> October, 2003  |
| 2     | 4 <sup>th</sup> June, 2003       | 6      | 19 <sup>th</sup> December, 2003 |
| 3     | 24 <sup>th</sup> July, 2003      | 7      | 31 <sup>st</sup> January, 2004  |
| 4     | 30 <sup>th</sup> September, 2003 | 8      | 23 <sup>rd</sup> February, 2004 |

**(C) Attendance of Each Director at the meeting of the Board of Directors held during the Financial Year 2003-04, attendance at the last AGM of the Company and particulars of Directorship in other companies are given below ;**

| Name of Director                              | Attendance Particulars |          | No. of Directorships and Committee membership/ chairmanship |                       |                         |
|-----------------------------------------------|------------------------|----------|-------------------------------------------------------------|-----------------------|-------------------------|
|                                               | Board Meeting          | Last AGM | Other Directorship                                          | Committee Memberships | Committee Chairmanships |
| V.K. Gupta                                    | 8                      | Yes      | 3                                                           | 2                     | 1                       |
| Manish Gupta                                  | 8                      | Yes      | 6                                                           | 1                     | Nil                     |
| Sulochana Gupta                               | 8                      | No       | 2                                                           | 2                     | 1                       |
| P.G. Makhija                                  | 7                      | Yes      | 1 (Pvt. Ltd.)                                               | Nil                   | Nil                     |
| Sandeep Agarwal                               | 8                      | Yes      | None                                                        | 3                     | Nil                     |
| J.S. Varshneya                                | 8                      | Yes      | 15 (Incl: 6 Pvt. Ltd.)                                      | 5                     | 4                       |
| Chaitan M Maniar                              | 6                      | Yes      | 21 (incl:7 Pvt.Ltd.)                                        | 10                    | 1                       |
| Prakash G Ramrakhiani-<br>Appointed on 8.3.03 | 8                      | Yes      | 4 (Incl: 1 Pvt. Ltd)                                        | Nil                   | Nil                     |
| Ashok C Gandhi<br>Appointed on 24.7.03        | 6                      | Yes      | 9 (Incl: 2 Pvt. Ltd.)                                       | 9                     | 1                       |

**(D) Information placed before the Board of Directors:**

All such matters as are statutorily required as also matters relating to Corporate Plans, Mobilisation of Funds, Investment/ Loans, Capital Expenditure etc. are considered by the Board. Besides, the following information is also regularly placed before the Board for its consideration:

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

**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 31<sup>st</sup> January 2001 and was re-constituted from time to time. Last re-constitution was made at the meeting of Board of Directors held on 30<sup>th</sup> September, 2003 where by Mr. Ashok C. Gandhi was inducted as member of Audit Committee in place of Mr. C. M. Maniar. The present constitution of the committee is as under:

Shri Jagdish Sharna Varshneya : Chairman  
 Shri Sandeep Agarwal : Member  
 Shri Ashok C Gandhi : Member

Shri Kaushik C Khona, Chief Financial Officer and Company Secretary is secretary of the committee.

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.

During the F.Y. 2003-04, 6 (six) meetings of the Audit Committee on 30.4.2003, 04.06.2003, 24.07.2003, 30.09.2003, 31.10.2003 and 31.01.2004 were held and all the members of the committee attended each meeting except leave of absence granted to Shri C M Maniar at the meeting held on 30.4.2003.

#### 4. Remuneration Committee

The Company had constituted the Remuneration Committee to decide the Company's policy on specific remuneration packages for executive directors including pension rights and compensation payment. The Committee was constituted on 30<sup>th</sup> March,2002 and was re-constituted from time to time. Last re-constitution was made at the meeting of Board of Directors held on 30<sup>th</sup> September,2003 whereby Mr. Ashok C. Gandhi was inducted as member and chairman of Remuneration Committee in place of Mr. C M Maniar. The present constitution of the committee is as under:

Shri Ashok C Gandhi : Chairman

Shri Sandeep Agarwal : Member

Smt. Sulochanaben Gupta : Member

Meeting of Remuneration Committee was held on 24<sup>th</sup> July 2003 which considered the re-appointment of Shri Manish Gupta as Managing Director for a period of 5 years from 28<sup>th</sup> December,2003 at the same terms and conditions as per present terms of appointment and the same was attended by all then members of Committee. The Meeting of Remuneration committee was held on 30<sup>th</sup> September, 2003 to note approval of re-appointment of Shri Manish Gupta as Managing Director by members of the Company at 12<sup>th</sup> Annual General Meeting.

Meeting of the Remuneration Committee was also held after year end on 29<sup>th</sup> July,2004 to consider and approve revision/addition in terms of remuneration of Shri Vijay Kumar Gupta and Shri Manish Gupta as Managing Directors of the Company for remainder of their respective tenure and re-appointment of Shri P G Makhija as an Executive Director and the same was also attended by all members of the Committee.

The details of remuneration (Including taxable value of perquisites)and sitting fees paid for attending meetings of Board of Directors and Committees thereof during the year 2003-04 to all the Directors are furnished hereunder:

| Sr. No. | Name of Director                                | Salary & Allowances (Rs.) | Perquisites (Rs.) | Sitting Fees (Rs.) | Total (Rs.) |
|---------|-------------------------------------------------|---------------------------|-------------------|--------------------|-------------|
| 1       | Vijay Kumar Gupta- Chairman & Managing Director | 1209360                   | 26400             | Nil                | 1235760     |
| 2       | Manish V. Gupta- Managing Director              | 1209360                   | 26400             | Nil                | 1235760     |
| 3       | Sulochanaben Gupta                              | Nil                       | Nil               | 25000              | 25000       |
| 4       | P.G. Makhija- Executive Director                | 862636                    | Nil               | Nil                | 862636      |
| 5       | Sandeep Agarwal                                 | Nil                       | Nil               | 40000              | 40000       |
| 6       | Jagdish Sharan Varshneya                        | Nil                       | Nil               | 35000              | 35000       |
| 7       | Chaitan M Maniar                                | Nil                       | Nil               | 25000              | 25000       |
| 8       | Prakash G Ramrakhiani                           | Nil                       | Nil               | 20000              | 20000       |
| 9       | Ashok C Gandhi                                  | Nil                       | Nil               | 25000              | 25000       |

#### 5. Board Sub-Committee for Shareholders

##### (a) Constitution and Objectives

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

##### (b) Appointment of Compliance Officer

The Company appointed Mr. Kaushik C Khona, Chief Financial Officer and Company Secretary as compliance officer as per Clause 45(a) of the Listing Agreement entered into with Ahmedabad Stock Exchange.

##### (c) 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 2003-04 as under

| Sr.No. | Particulars                  | No.of cases | No.of Shares |
|--------|------------------------------|-------------|--------------|
| 1      | Transfer                     | 3145        | 541515       |
| 2      | Transmission                 | 87          | 19448        |
| 3      | Split                        | 88          | 4454629      |
| 4      | Duplicate                    | 29          | 21352        |
| 5      | Folio Consolidation          | 1           | 1410         |
| 6      | Certificate Consolidation    | 7           | 2243681      |
| 7      | Demat request approved-NSDL  | 8875        | 1493732      |
| 8      | Demat request approved-CDSL  | 970         | 162396       |
| 9      | Remat request approved-NSDL  | 13          | 569          |
| 10     | Remat request approved- CDSL | Nil         | Nil          |

As on 31<sup>st</sup> March, 2004, out of the total 2,78,63,698 Issued, Subscribed and Paid up Equity shares of the Company, after allotment of 40,98,000 Equity Shares of Rs.10/- each issued pursuant to Scheme of Amalgamation approved by the

Hon'ble High court of Gujarat vide its order dtd. 2.12.2003, certified copy of which received on 23.12.2003, to shareholders of Jupiter Biotech Limited, 29.31% have been demated (net of remat) through NSDL and CDSL. There were thirteen (13) remat request for 569 shares during the year. With a view to expedite the process of transfer, the committee normally meets twice a month to approve transfer, transmission, split, duplicate etc. There was no instrument pending for transfer as on 31.03.2004.

**(d) Details of Complaints received and redressed during the year 2003-04 :**

| Sr. No | Particulars                                                                  | Opening Balance as on 1.4.2003 | Received During the year | Redressed During the year | Pending as on 31.03.2004 |
|--------|------------------------------------------------------------------------------|--------------------------------|--------------------------|---------------------------|--------------------------|
| 1      | Non-receipt of Dividend/ Interest , Revalidation etc                         | Nil                            | 3409                     | 3409                      | Nil                      |
| 2      | Non receipt of Share Certificate etc.                                        | Nil                            | 2130                     | 2130                      | Nil                      |
| 3      | Non receipt of Annual Report, Interest on delayed refund, dividend, interest | Nil                            | 10                       | 10                        | Nil                      |
| 4      | Others                                                                       | Nil                            | 2292                     | 2292                      | Nil                      |
|        | <b>Total</b>                                                                 | Nil                            | 7841                     | 7841                      | Nil                      |

**(e) Investors' Grievances and Shareholders'/ Investors' Grievances Redressal Committee :**

The Company has constituted " Shareholders'/ Investors' Grievances Redressal Committee" and during the year under report constitution of the Committee was as under :

Smt. Sulochanaben Gupta : Chairman  
 Shri Vijay Kumar Gupta : Member  
 Shri Sandeep Agarwal : Member

To expedite the process and for effective resolution grievances/ complaints, the Committee has delegated powers to the Share Transfer Agent/ Registrar and its officials to redress all complaints/ grievances / inquires of the shareholders'/ Investors' who redress the grievances/ complaints of shareholders'/ Investors' under the supervision of Shri Kaushik C Khona, CFO & Company Secretary and Compliance Officer of the Company. The Committee meets at regular intervals to review the status of redressal of Shareholders'/ Investors' Grievances.

**6. General Body Meetings**

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

| Year    | Date                    | Time       | Venue                                                                  |
|---------|-------------------------|------------|------------------------------------------------------------------------|
| 2000-01 | 25.09.2001              | 10.30 a.m. | Dinesh Hall, Nr. Income Tax Circle, Off. Ashram Road, Ahmedabad-380009 |
| 2001-02 | 31.12.2002 & 25.02.2003 | 10.30 a.m. | Do                                                                     |
|         | Adjourned AGM           |            |                                                                        |
| 2002-03 | 30.09.2003              | 12.30 p.m. | Do                                                                     |

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

| Special Business                                                                                                                                                                                                                     | Type of Resolution passed | Date of Meeting |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------|
| Revision in Terms of Remuneration of Shri Vijay Kumar Gupta, Chairman and Managing Director of the Company                                                                                                                           | Ordinary Resolution       | 25.09.2001      |
| Revision in Terms of Remuneration of Shri Manish Gupta, Managing Director of the Company                                                                                                                                             | Ordinary Resolution       | 25.09.2001      |
| Re-appointment of Shri P. G. Makhija as an Executive Director                                                                                                                                                                        | Ordinary Resolution       | 25.09.2001      |
| Authority for reduction of Issued, Subscribed and Paid up Share Capital to small shareholders holding upto 99 Equity Shares in physical form in each folio pursuant to Scheme of Arrangement U/s.391 & 100 of the Companies Act,1956 | Special Resolution        | 21.11.2002      |
| Alteration in the Articles of Association by insertion of provision of postal ballot under Article 104(A) and alteration of Article 4 to incorporate provisions for buy back of shares                                               | Special Resolution        | 21.11.2002      |
| Appointment of Shri C M Maniar as Director of the Company                                                                                                                                                                            | Ordinary Resolution       | 31.12.2002      |
| Re-appointment of Chairman Shri Vijay Kumar Gupta as Managing Director of the Company for further period of 5 years from 18 <sup>th</sup> April,2003                                                                                 | Ordinary Resolution       | 31.12.2002      |
| Appointment of Shri P G Ramrakhiani as Director of the Company                                                                                                                                                                       | Ordinary Resolution       | 30.09.2003      |
| Appointment of Shri Ashok C Gandhi as Director of the Company                                                                                                                                                                        | Ordinary Resolution       | 30.09.2003      |
| Re-appointment of Shri Manish Gupta as Managing Director                                                                                                                                                                             | Ordinary Resolution       | 30.09.2003      |
| Authority to issue and allot 41,40,000 Equity Shares of Rs.10/- each                                                                                                                                                                 | Special Resolution        | 30.09.2003      |
| Authority to delist Equity Shares from Delhi and Jaipur Stock Exchanges                                                                                                                                                              | Special Resolution        | 30.09.2003      |

Apart from above , Hon'ble High Court convened meeting of Equity Shareholders of the Company was held on 30.09.2003 to consider and approve the Scheme of Amalgamation of Jupiter Biotech Limited with the Company. The said meeting had approved the Scheme of Amalgamation by more than requisite majority and subsequently Scheme was also approved by the Hon'ble High Court of Gujarat vide its order dt. 2.12.2003, certified copy of which was received on 23.12.2003.

**c) Postal Ballot**

Though the Companies Amendment Act, 2000 provides for postal ballot for certain business to be transacted , which is effective from 15<sup>th</sup> June, 2001, no such resolution requiring postal ballot was proposed in past.

**7. Disclosure on 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**

No material, financial and commercial transactions were entered into where Directors have personal interest, that may have a potential conflict with the interest of the Company at large. Related Party transactions have been included in the Notes to the Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2004.

**8. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to Capital market during the last three years**

No penalties or strictures have been passed against the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to Capital market during the year under report or in last three years.

**9. Means of Communication**

The Board of Directors of the Company takes on the record the Unaudited Quarterly and half yearly Financial Results in the prescribed form within prescribed time limit. The Company submits information about quarterly, half yearly and annual results etc. to the Stock Exchanges within prescribed time limits. The Company also publishes quarterly financial results in Gujarati and English Newspaper having substantial circulation in local vicinity.

The quarterly results are put on the Company's website "[www.gujambexports.com](http://www.gujambexports.com)" and same are also available on [www.sebi.gov.in](http://www.sebi.gov.in) under EDIFAR System. The Company also puts monthly news and updates on the website.

Press briefings are held to brief important corporate actions.

**10. Shareholders' Information**

**1. Annual General Meeting**

Day, Date & Time : Thursday, 23<sup>rd</sup> September, 2004 at 11.00 a.m.

Venue : GICEA (Gajjar Hall),  
Nirman Bhavan, Opp. Law Garden,  
Ellisbridge, Ahmedabad : 380006

**2. Financial Calendar : (2004-2005) (Tentative)**

Financial year : April-March  
Annual General Meeting : 23<sup>rd</sup> September, 2004  
Results for Quarter Ending on :  
30<sup>th</sup> June, 2004 : 29.07.2004  
30<sup>th</sup> September, 2004 : End of October, 2004  
30<sup>th</sup> December, 2004 : End January, 2005  
31<sup>st</sup> March, 2005 : End April, 2005

**3. Book Closure Dates**

Closure of Register of Members : 22<sup>nd</sup> September, 2004 to  
And Share Transfer Books : 23<sup>rd</sup> September, 2004

**4. Dividend Payment Date**

The Board of Directors at its meeting held on 29<sup>th</sup> July, 2004 recommended dividend @ 10% p.a. for F.Y. 2003-04, which if approved at the ensuing Annual General Meeting by the members of the Company will be paid to eligible shareholder/ beneficial owner after 23<sup>rd</sup> September, 2004 within prescribed time.

**5. Listing of Securities on the Stock Exchanges**

The Equity Shares of the Company are listed on Ahmedabad, Mumbai, National Stock Exchange and listing fees for the Financial year 2004-05 has been paid to all the above stock exchanges. During the year under report pursuant to authority granted by members of the company at 12<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2003, the Company had applied for voluntary de-listing of its Equity Shares from Delhi and Jaipur Stock Exchanges and pursuant to said applications, the Company has received de-listing approval from Delhi Stock Exchange w.e.f. 29.12.2003 vide its letter dt. 26.12.2003 and from Jaipur Stock Exchange w.e.f. 30.01.2003 vide its letter dt. 9.2.2004. Addresses of the Stock Exchanges where security of the Company is presently listed are given below:

- The Stock Exchange, Ahmedabad  
Kamdhenu Complex, Opp. Sahajanand College,  
Panjara Pole, Ahmedabad-380015  
E-mail : [ase@satyam.net.in](mailto:ase@satyam.net.in)

- The Stock Exchange, Mumbai  
P.J. Towers,  
Dalal Street, Mumbai-400 001  
E-mail : [isc@bseindia.com](mailto:isc@bseindia.com)
- National Stock Exchange of India Limited  
Tradeworld, Senapati Bapat Marg,  
Lower Parel, Mumbai-400013  
E-mail : [postmaster@nse.co.in](mailto:postmaster@nse.co.in)

**6. Stock Code**

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

**7. Stock Market Price Data:**

| Month           | Mumbai Stock Exchange (BSE) |        | National Stock Exchange (NSE) |        |
|-----------------|-----------------------------|--------|-------------------------------|--------|
|                 | Highest                     | Lowest | Highest                       | Lowest |
| April, 2003     | 12.50                       | 09.05  | 12.15                         | 09.00  |
| May, 2003       | 15.50                       | 11.50  | 14.50                         | 11.65  |
| June, 2003      | 15.40                       | 14.10  | 15.00                         | 14.15  |
| July, 2003      | 21.20                       | 14.30  | 21.70                         | 14.40  |
| August, 2003    | 20.00                       | 17.00  | 20.80                         | 17.00  |
| September, 2003 | 20.00                       | 18.00  | 21.00                         | 17.50  |
| October, 2003   | 20.50                       | 18.00  | 20.05                         | 17.95  |
| November, 2003  | 26.50                       | 19.15  | 27.80                         | 18.50  |
| December, 2003  | 29.50                       | 22.50  | 29.95                         | 22.40  |
| January, 2004   | 27.45                       | 21.50  | 28.00                         | 21.10  |
| February, 2004  | 28.00                       | 22.25  | 28.50                         | 22.00  |
| March, 2004     | 28.90                       | 25.95  | 28.80                         | 26.00  |

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

**8. Registrar and Transfer Agent**

During the year under report Jupiter Corporate Services Limited, Registrar and Share Transfer Agent of the Company obtained VSAT connectivity from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and hence from September, 2003 Physical as well as dematerialisation activities are assigned and managed by it. Upto September, 2003 Share Transfer/ Transmission for shares held in Physical form was managed by the Jupiter Corporate Services Limited (Share Transfer Agent – Physical Form) whereas dematerialisation and Electronic form was managed by the MCS Limited.

As at present Jupiter Corporate Services Limited is acting as sole Registrar and Share Transfer Agent (Physical and Electronic), its address is as under;

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

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

**9. Share Transfer System**

The Company has conducted 29 meetings of the sub-committee of the Board of Directors of the Company during the last Financial year 2003-04. Even though the shares of the Company are under compulsory demat from 24.7.2000, shareholders holding less than 500 shares can still sell the shares in physical form. Trading of shares directly from seller to buyer not routed through Stock Exchanges is also permissible. The Share Transfer committee usually meets once in a fortnight. Shares in physical form are registered within an average period of 15 days.

**10 (a) Distribution of Shareholding as on 31st March, 2004 (including demat)**

| No. of Equity Shares held | No. of Share holders | % of share holders | No. of Shares held | % of Share-holding |
|---------------------------|----------------------|--------------------|--------------------|--------------------|
| 001 to 500                | 73971                | 97.864             | 8655669            | 31.065             |
| 501 to 1000               | 1137                 | 1.504              | 829898             | 2.978              |
| 1001 to 2000              | 314                  | 0.415              | 438175             | 1.573              |
| 2001 to 3000              | 63                   | 0.083              | 157133             | 0.564              |
| 3001 to 4000              | 38                   | 0.050              | 138050             | 0.495              |
| 4001 to 5000              | 23                   | 0.030              | 107690             | 0.386              |
| 5001 to 10000             | 18                   | 0.024              | 136841             | 0.491              |
| 10001 & above             | 23                   | 0.030              | 17400242           | 62.448             |
| <b>Total</b>              | <b>75587</b>         | <b>100.000</b>     | <b>27863698</b>    | <b>100.000</b>     |

**(b) Shareholding Pattern of the Company as on 31.03.2004 (including Demat)**

| Category of Holders                | No. of Shares   | % to total shares |
|------------------------------------|-----------------|-------------------|
| Promoters/Directors & Relatives    | 16442884        | 59.011            |
| Financial Insti./Mutual Fund/Banks | 261237          | 0.937             |
| Non-Residents/FIIs/OCBs            | 134154          | 0.481             |
| Other Corporate Bodies             | 636989          | 2.286             |
| Indian Public                      | 10388434        | 37.285            |
| <b>Total</b>                       | <b>27863698</b> | <b>100.00</b>     |

**11. Dematerialisation of Shares and Liquidity**

On 31st March 2004 out of present Issued, Subscribed and Paid Up Capital, 29.31% 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.

**12. 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.

**13. Plant Locations**

| Sr. | Plant                                                                     | Sr. | Plant                                                                   |
|-----|---------------------------------------------------------------------------|-----|-------------------------------------------------------------------------|
| 1.  | 100% EOU Cotton Spinning Division. Vil.Dalpur, Dist. Sabarkantha, Gujarat | 6.  | Solvent Extraction Unit-IV Pithampur, Dist.Dhar(M.P)                    |
| 2.  | Bio-Chemical Division Vil.Dalpur, Dist. Sabarkantha Gujarat               | 7.  | Edible Oil Refineries & VanaspatiGhee Unit, Kadi, Dist.Mehsana, Gujarat |
| 3.  | Solvent Extraction Unit-I Nani Kadi, Dist.Mehsana, Gujarat                | 8.  | Wheat Processing Unit Kadi, North Gujarat                               |
| 4.  | 100% EOU Solvent Extraction Unit-II Kadi, Dist.Mehsana Gujarat            | 9.  | Solvent Extraction Unit-V Jaipur, Rajasthan                             |
| 5.  | Solvent Extraction Unit-III Kadi, Dist.Mehsana, Gujarat                   |     |                                                                         |

**14. Investors' Correspondence**

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

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

Place: Ahmedabad  
 Date: 31.07.2004

For & On behalf of Board of Directors

(Vijay Kumar Gupta)  
 Chairman and Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
 The Members of  
 Gujarat Ambuja Exports Limited,

We have examined the compliance of conditions of Corporate Governance by GUJARAT AMBUJA EXPORTS LIMITED for the year ended on 31st March, 2004, 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 review of the 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 clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state, as per the records maintained by the Company, that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2004, there were no investor grievances remaining matter/ pending for a period extending one month.

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.

**FOR KANTILAL PATEL & CO.,**  
 Chartered Accountants

Place : Ahmedabad  
 Date : 31<sup>st</sup> July, 2004

**[Ashwin Amin]**  
 Partner

**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 (Period 01.04.2003 to 31.03.2004)                             | 31.03.2004       |
| 2. The Company's interest in the Subsidiaries as on 31st March 2004:                                       |                  |
| 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 31.03.2004                                                              |                  |
| i) Not dealt within the books of Accounts of the Company (Sing. Dollar)                                    | 275281           |
| 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 (Sing. Dollar)                                    | (-) 43661 (Loss) |
| ii) Dealt within the books of Accounts of the Company                                                      | Nil              |

For and on behalf of the Board

PLACE: AHMEDABAD  
 DATE : 31<sup>st</sup> July, 2004

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

**MANISH GUPTA**  
 (MANAGING DIRECTOR)

**KAUSHIK C. KHONA**  
 (CFO & COMPANY SECRETARY)



**AUDITORS' REPORT**

To,  
The Members of  
Gujarat Ambuja Exports Limited

We have audited the attached Balance Sheet of Gujarat Ambuja Exports Limited as at March 31, 2004 and the related Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies [Auditors' Report] Order, 2003 issued by the Central Government of India in terms of sub-section 4(A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standard referred to in sub section (3C) of section 211 of the Companies Act, 1956.
  - (v) On the basis of the written representations received from directors, as on 31<sup>st</sup> March 2004, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2004 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2004.
  - (b) In the case of the Profit & Loss Account, of the 'Profit' of the Company for the year ended on that date.
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **KANTILAL PATEL & CO.**  
Chartered Accountants

**ASHWIN AMIN**

Place : Ahmedabad  
Date : May 19, 2004

Partner  
Membership No. : 35070

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF GUJARAT AMBUJA EXPORTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2004.**

- 1.(a) The company has generally maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) The company's management has provided us with a representation that it has a phased programme of verification of fixed assets (i.e. once in a two years) and in accordance with such programme, the company has carried out a physical verification of certain fixed assets during the year and no material discrepancies were noticed on such verification.
- (c) Some of the fixed assets not utilised in manufacturing activities have been disposed off during the year, which in our opinion and according to the information and explanations given to us, has not affected the ability of the Company to continue as a going concern.
- 2.(a) Physical verification at reasonable intervals has been carried out by the management in respect of inventory except for the stocks in transit and stocks lying with the clearing agents, which have been confirmed by the parties. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of stocks 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 between physical stocks and book records were not material and have been adequately dealt with in the books of accounts.

3. The Company has not granted or taken any loan secured or unsecured to or from companies firms or other party covered in the register maintained under section 301 of the Companies Act, 1956, except the trade advance received from the subsidiary company. And hence, sub-clauses b, c & d of the clause are not applicable.
4. In our opinion and according to the information and explanations given to us during the course of the audit, the company has a generally adequate internal control procedure 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. On the basis of our examination of the books of accounts & other records, we are of the opinion that there is no major weakness in the internal control procedures of the company.
5. As far as we have been able to ascertain from the books of accounts and according to the information and explanations given to us,
  - (a) In our opinion the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been entered as required by the provisions of the said section.
  - (b) According to the information and explanations given to us where each such transaction in excess of Rs.5 lakhs in respect of any party, the transactions have been made at the prices which are prima facie, reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted deposits from public during the year under audit hence the directives issued by Reserve Bank of India and provisions of section 58A & 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The company has an Internal Audit System, commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of "Textile" products and are of the opinion that prima facie the prescribed records have been maintained. We have however not made a detailed examination of records. We are informed that Central Government has issued order for audit of cost records under section 233B of the Companies Act, 1956, in respect of "textile" products.
- 9.(a) The Company is generally regular in depositing Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and Other statutory dues to appropriate authorities. According to the information and explanations given to us, no undisputed amount in respect of aforesaid statutory dues were outstanding as at 31<sup>st</sup> March, 2004 for the period of more than 6 months from the date they become payable.
  - (b) According to the information and explanations given to us and on the basis of our examination we report that the company has not deposited Rs.71,14,874/- of sales tax and Rs.1,71,732/- of Motor Spirit Tax due to disputes with the department which are shown as contingent liabilities in the notes to accounts.

| Sr. No. | Description      | Amount of Rupees | Forum wheredispute is pending      |
|---------|------------------|------------------|------------------------------------|
| (i)     | Sales Tax        | 71,14,874        | First level of Appellate Authority |
| (ii)    | Motor Spirit Tax | 1,71,732         | Tribunal                           |

10. The company does not have the accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current year and immediately preceding financial year.
11. The company has not defaulted in repayment of dues to any bank. The company has not obtained any borrowing from any financial institution or by way of debentures.
12. The company has not granted loans & advances on the basis of security by way of pledge of shares and debentures and other securities.
13. The company has given guarantee for loans taken by subsidiary company, however, the terms and conditions are not prejudicial to the interests of the company.
14. 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.
15. According to the cash flow statement and other records examined by us and the information and explanations given to us, on over all basis, funds raised on short term basis, prima facie, has not been used during the year for long term investment (fixed assets etc.) and vice versa.
16. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company was noticed or reported during the year.
17. 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 clauses XIII, XIV, XVIII, XIX and XX of Company (Auditor's Reports) Order, 2003 are not applicable to the company.

For **KANTILAL PATEL & CO.**  
Chartered Accountants

**ASHWIN AMIN**  
Partner

Place : Ahmedabad  
Date : May 19, 2004

Membership No. : 35070

**BALANCE SHEET AS AT 31st MARCH 2004**

[ Rupees in Crores ]

|            |                                              | SCHEDULE | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
|------------|----------------------------------------------|----------|---------------------|---------------------|
|            |                                              |          | AMOUNT              | AMOUNT              |
| <b>(A)</b> | <b>SOURCE OF FUNDS</b>                       |          |                     |                     |
| <b>1</b>   | <b>SHARE HOLDERS' FUND</b>                   |          |                     |                     |
|            | Share Capital                                | <b>A</b> | <b>27.86</b>        | 23.76               |
|            | Reserves & Surplus                           | <b>B</b> | <b>184.77</b>       | 161.34              |
|            |                                              |          |                     | <u>185.10</u>       |
|            |                                              |          | <b>212.63</b>       |                     |
| <b>2</b>   | <b>LOAN FUNDS</b>                            |          |                     |                     |
|            | Secured Loans                                | <b>C</b> | <b>203.58</b>       | 66.87               |
|            | Unsecured Loans                              | <b>D</b> | <b>0.81</b>         | 0.29                |
|            |                                              |          |                     | <u>67.16</u>        |
|            |                                              |          | <b>204.39</b>       |                     |
| <b>3</b>   | <b>DEFERRED TAX LIABILITY</b>                |          |                     |                     |
|            | Deferred tax liability                       |          | <b>24.05</b>        | 26.40               |
|            | Deferred tax assets                          |          | <b>2.69</b>         | 10.72               |
|            |                                              |          |                     | <u>15.68</u>        |
|            |                                              |          | <b>21.36</b>        |                     |
|            | <b>TOTAL</b>                                 |          | <b>438.38</b>       | <u>267.94</u>       |
| <b>(B)</b> | <b>APPLICATION OF FUNDS</b>                  |          |                     |                     |
| <b>1</b>   | <b>FIXED ASSETS</b>                          | <b>E</b> |                     |                     |
|            | Gross Block                                  |          | <b>223.22</b>       | 236.89              |
|            | Less : Depreciation                          |          | <b>93.65</b>        | 72.94               |
|            | Net Block                                    |          | <b>129.57</b>       | 163.95              |
|            | Add : Capital work in Progress               |          | <b>14.68</b>        | 0.15                |
|            |                                              |          |                     | <u>164.10</u>       |
|            |                                              |          | <b>144.25</b>       |                     |
| <b>2</b>   | <b>INVESTMENTS</b>                           | <b>F</b> |                     | 3.13                |
| <b>3</b>   | <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>  | <b>G</b> |                     |                     |
|            | Inventories                                  |          | <b>212.85</b>       | 75.75               |
|            | Sundry Debtors                               |          | <b>77.37</b>        | 39.29               |
|            | Cash & Bank Balances                         |          | <b>13.37</b>        | 3.91                |
|            | Loans & Advances                             |          | <b>11.26</b>        | 4.56                |
|            |                                              |          | <b>314.85</b>       | <u>123.51</u>       |
|            | Less : Current Liabilities                   | <b>H</b> | <b>23.24</b>        | 21.31               |
|            | Provisions                                   | <b>I</b> | <b>5.36</b>         | 1.49                |
|            |                                              |          | <b>28.60</b>        | <u>22.80</u>        |
|            | <b>Net Current Assets</b>                    |          | <b>286.25</b>       | 100.71              |
| <b>4</b>   | <b>MISCELLANEOUS EXPENDITURE</b>             |          | <b>NIL</b>          | <b>NIL</b>          |
|            | ( To the extent not written off or adjusted) |          |                     |                     |
|            | <b>TOTAL</b>                                 |          | <b>438.38</b>       | <u>267.94</u>       |
|            | <b>Significant Accounting Policies</b>       | <b>R</b> |                     |                     |
|            | <b>Notes on Accounts</b>                     | <b>S</b> |                     |                     |

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

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

**ASHWIN AMIN**  
**PARTNER**  
Membership No.: 35070

PLACE : AHMEDABAD  
Date : 19th May, 2004

for and on behalf of the Board

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

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

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

PLACE: AHMEDABAD  
Date : 19th May, 2004

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2004**

[ Rupees in Crores ]

|                                                                                                                | SCHEDULE | FOR THE<br>YEAR ENDED<br>31.03.2004<br>AMOUNT | FOR THE<br>YEAR ENDED<br>31.03.2003<br>AMOUNT |
|----------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------|-----------------------------------------------|
| <b>(A) INCOME</b>                                                                                              |          |                                               |                                               |
| Sales                                                                                                          | J        | 1086.48                                       | 621.35                                        |
| Less : Excise Duty                                                                                             |          | 9.70                                          | 7.85                                          |
| Net Sales                                                                                                      |          | 1076.78                                       | 613.50                                        |
| Other Income                                                                                                   | K        | 0.97                                          | 1.94                                          |
| <b>TOTAL - "A"</b>                                                                                             |          | <b>1077.75</b>                                | <b>615.44</b>                                 |
| <b>(B) EXPENDITURE</b>                                                                                         |          |                                               |                                               |
| Cost of Goods Sold                                                                                             | L        | 904.29                                        | 487.14                                        |
| Manufacturing Expenses                                                                                         | M        | 44.40                                         | 35.58                                         |
| Employees' Cost                                                                                                | N        | 14.29                                         | 12.45                                         |
| Administrative Expenses                                                                                        | O        | 6.13                                          | 4.63                                          |
| Sales Expenses                                                                                                 | P        | 51.18                                         | 40.11                                         |
| Loss on Sale of Fixed Assets                                                                                   |          | 0.04                                          | 0.01                                          |
| Finance & Other Charges                                                                                        | Q        | 5.11                                          | 5.64                                          |
| Depreciation                                                                                                   |          | 19.75                                         | 16.39                                         |
| <b>TOTAL - "B"</b>                                                                                             |          | <b>1045.19</b>                                | <b>601.95</b>                                 |
| <b>Profit before Tax (A-B)</b>                                                                                 |          | <b>32.56</b>                                  | <b>13.49</b>                                  |
| Provision for Taxation                                                                                         |          |                                               |                                               |
| - Current tax                                                                                                  |          | 1.51                                          | 0.50                                          |
| - Deferred tax                                                                                                 |          | 5.68                                          | 1.93                                          |
| <b>Profit after Tax</b>                                                                                        |          | <b>25.37</b>                                  | <b>11.06</b>                                  |
| Add: Balance of Profit from Previous Year                                                                      |          | 24.71                                         | 20.92                                         |
| Add: Balance of Profit & Loss Account in Pursuance of Scheme of Amalgamation (refer Note No 3 of Schedule -S ) |          | 0.02                                          | 0.00                                          |
| <b>Profit available for appropriation</b>                                                                      |          | <b>50.10</b>                                  | <b>31.98</b>                                  |
| <b>APPROPRIATION</b>                                                                                           |          |                                               |                                               |
| Transferred to Capital Redemption Reserve                                                                      |          | 0.00                                          | 6.22                                          |
| Proposed Dividend ( 10%) (P.Y. 6% Interim dividend paid)                                                       |          | 2.79                                          | 1.05                                          |
| Provision for Dividend Distribution Tax.                                                                       |          | 0.34                                          | 0.00                                          |
| Balance carried to Balance Sheet                                                                               |          | 46.97                                         | 24.71                                         |
| <b>TOTAL</b>                                                                                                   |          | <b>50.10</b>                                  | <b>31.98</b>                                  |
| <b>Significant Accounting Policies</b>                                                                         | R        |                                               |                                               |
| <b>Notes on Accounts</b>                                                                                       | S        |                                               |                                               |
| Earning per Equity Share of Rs.10/- each (Basic)                                                               |          | 9.105                                         | 4.655                                         |
| Earning per Equity Share of Rs.10/- each (Diluted)                                                             |          | 9.105                                         | 3.970                                         |

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

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

**ASHWIN AMIN**  
**PARTNER**  
Membership No.: 35070

PLACE : AHMEDABAD  
Date : 19th May, 2004

**for and on behalf of the Board**

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

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

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

PLACE: AHMEDABAD  
Date : 19th May, 2004

## SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2004

Rs. in Crores

|                                                                                                                                                                           | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |                                                                                                                                                                                                                                                  | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "A" SHARE CAPITAL</b>                                                                                                                                         |                     |                     | <b>SCHEDULE "C" SECURED LOANS</b>                                                                                                                                                                                                                |                     |                     |
| <b>AUTHORISED</b>                                                                                                                                                         |                     |                     | <b>(A) Term Loans :</b>                                                                                                                                                                                                                          |                     |                     |
| 30000000(P.Y.30000000) Equity shares of Rs 10/- each                                                                                                                      | 30.00               | 30.00               | Secured by 100% cash collateral security (P.Y. Secured by a first charged mortgage on all movable fixed assets (other than at Jaipur) and personal guarantee of three promoter Directors.(Repayable within 1 year Rs. Nil P.Y. Rs.1,00,00,000/-) |                     |                     |
|                                                                                                                                                                           | 30.00               | 30.00               | - From Banks 0.10 3.23                                                                                                                                                                                                                           |                     |                     |
| <b>ISSUED,SUBSCRIBED AND PAID UP CAPITAL :</b>                                                                                                                            |                     |                     | - Interest accrued and due on above 0.01 0.00                                                                                                                                                                                                    |                     |                     |
| 27863698 (P.Y.23765698) Equity Shares of Rs 10/- each fully paid                                                                                                          | 27.86               | 23.76               | 0.11 3.23                                                                                                                                                                                                                                        |                     |                     |
| a. Includes 6300000 (P.Y.6300000) Equity shares of Rs.10/- each issued at a premium of Rs.1 per share on conversion of Optionally Convertible Unsecured debentures        |                     |                     | <b>(B) Other Loans (Working Capital) :</b>                                                                                                                                                                                                       |                     |                     |
| b. Includes 16437782 (P.Y.16437782) Equity shares of Rs.10/- each fully paid allotted on 30.4.99 in exchange of shares on amalgamation for consideration other than cash. |                     |                     | Secured by a hypothecation on current assets and Registered Mortgage on certain movable/immovable fixed assets (other than at Jaipur) and personal guarantee of three Promoter Directors & against lien on Fixed Deposits.                       |                     |                     |
| c. 6217084 (P.Y.6217084) Equity shares of Rs.10/- each reduced as per Scheme of arrangement approved by Honourable Gujarat High Court order dated 17th February 2003.     |                     |                     | - From Banks 203.47 63.64                                                                                                                                                                                                                        |                     |                     |
| d. Includes 4098000 (P.Y.NIL) Equity Shares of Rs.10/- each fully paid, allotted on 31.1.2004 in exchange of shares on amalgamation for consideration other than cash.    |                     |                     | 203.58 66.87                                                                                                                                                                                                                                     |                     |                     |
|                                                                                                                                                                           | 27.86               | 23.76               | <b>SCHEDULE "D" UNSECURED LOANS</b>                                                                                                                                                                                                              |                     |                     |
| <b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>                                                                                                                                |                     |                     | <b>Dealers' &amp; Distributors' Deposits</b>                                                                                                                                                                                                     |                     |                     |
| <b>General Reserve :</b>                                                                                                                                                  |                     |                     | 0.81 0.29                                                                                                                                                                                                                                        |                     |                     |
| Opening Balance                                                                                                                                                           | 129.63              | 129.63              | 0.81 0.29                                                                                                                                                                                                                                        |                     |                     |
| Add : On Amalgamation (refer note 3 of Schedule - S)                                                                                                                      | 0.39                | 0.00                |                                                                                                                                                                                                                                                  |                     |                     |
|                                                                                                                                                                           | 130.02              | 129.63              | <b>SCHEDULE "F" INVESTMENTS (AT COST)</b>                                                                                                                                                                                                        |                     |                     |
| <b>Capital Subsidy :</b>                                                                                                                                                  |                     |                     | <b>(LONG TERM INVESTMENTS)</b>                                                                                                                                                                                                                   |                     |                     |
| Opening Balance                                                                                                                                                           | 0.15                | 0.15                | <b>QUOTED ( EQUITY SHARES)</b>                                                                                                                                                                                                                   |                     |                     |
| Add : Additions during the year (refer accounting policy G of Schedule R)                                                                                                 | 0.50                | 0.00                | Nil (P.Y. 42000) Equity shares Jupiter Bio-Tech Ltd of Rs.10/- each fully paid up.[Market value Rs.Nil] (P.Y.Rs.161700/-)                                                                                                                        |                     |                     |
|                                                                                                                                                                           | 0.65                | 0.15                | 1[P.Y. 1] Equity share of Adani Exports Ltd of Rs.10/- each fully paid up.[Market value Rs.400/-] (P.Y.Rs.123/-)                                                                                                                                 |                     |                     |
| <b>Amalgamation Reserve Account</b>                                                                                                                                       |                     |                     | 25[P.Y. 25] Equity shares of Arvind Mills Ltd of Rs.10/- each fully paid up.[Market value Rs.1139/-] (P.Y.Rs.464/-)                                                                                                                              |                     |                     |
| Opening Balance                                                                                                                                                           | 0.00                | 0.00                | 5[P.Y. 5] Equity shares of Maral Overseas Ltd of Rs.10/- each fully paid up.[Market value Rs.78/-] (P.Y.Rs. 64/-)                                                                                                                                |                     |                     |
| Add : On Amalgamation (refer note 3 of Schedule - S)                                                                                                                      | 0.02                | 0.00                | 100[P.Y. 100] Equity shares of Riddhi Siddhi Starch Ltd of Rs.10/- each fully paid up.[Market value Rs.950/-] (P.Y.Rs.1085/-)                                                                                                                    |                     |                     |
|                                                                                                                                                                           | 0.02                | 0.00                | <b>UNQUOTED ( EQUITY SHARES)</b>                                                                                                                                                                                                                 |                     |                     |
| <b>Securities Premium Account</b>                                                                                                                                         |                     |                     | 10000[P.Y. Nil] Equity shares of Kalapur Com. Co-Op Bank Ltd. of Rs.25/- each fully paid up.                                                                                                                                                     |                     |                     |
| Opening Balance                                                                                                                                                           | 0.63                | 0.63                | In <b>Subsidiary Company :</b>                                                                                                                                                                                                                   |                     |                     |
| Add : On Amalgamation (refer note 3 of Schedule - S)                                                                                                                      | 0.26                | 0.00                | 854212 [P.Y. 854212] Ordinary Shares of One Singapore Dollar each,fully paid in Gujarat Ambuja International Pte.Ltd                                                                                                                             |                     |                     |
|                                                                                                                                                                           | 0.89                | 0.63                | <b>OTHERS :</b>                                                                                                                                                                                                                                  |                     |                     |
| <b>Capital Redemption Reserve</b>                                                                                                                                         |                     |                     | 724324 [P.Y.356000] Equity shares of Jupiter Corporate Services Ltd. Of Rs 10/- each fully paid up.                                                                                                                                              |                     |                     |
| Opening Balance                                                                                                                                                           | 6.22                | 0.00                | <b>Government Security :</b>                                                                                                                                                                                                                     |                     |                     |
| Add : Transferred from Profit & Loss Account                                                                                                                              | 0.00                | 6.22                | National Saving Certificates [Lodged with Sales tax & Other Government authorities ]                                                                                                                                                             |                     |                     |
|                                                                                                                                                                           | 6.22                | 6.22                | Share Application Money with Reliance Exports Pvt Ltd,Srilanka, Pending allotment 2.31 0.00                                                                                                                                                      |                     |                     |
| <b>Profit and Loss Account</b>                                                                                                                                            |                     |                     | 7.88 3.13                                                                                                                                                                                                                                        |                     |                     |
|                                                                                                                                                                           | 46.97               | 24.71               | AGGREGATE COST OF QUOTED INVESTMENTS ( in Rs.) 2046 237246                                                                                                                                                                                       |                     |                     |
|                                                                                                                                                                           | 184.77              | 161.34              | MARKET VALUE OF QUOTED INVESTMENTS ( in Rs.) 2567 163436                                                                                                                                                                                         |                     |                     |
|                                                                                                                                                                           |                     |                     | AGGREGATE COST OF UNQUOTED INVESTMENTS ( in Rs.) 78775831 31106109                                                                                                                                                                               |                     |                     |
|                                                                                                                                                                           |                     |                     | TOTAL COST ( in Rs.) 78777877 31343355                                                                                                                                                                                                           |                     |                     |

## SCHEDULE "E" FIXED ASSETS

| SR | PARTICULARS                   | Gross Block          |                              |                                       |                      | Depreciation   |                                 |              |                           |                     | Net Block     |               |
|----|-------------------------------|----------------------|------------------------------|---------------------------------------|----------------------|----------------|---------------------------------|--------------|---------------------------|---------------------|---------------|---------------|
|    |                               | As at 01.04.2003 Rs. | Assets added on Amalgamation | Additions (Deduction) During the year | Total as at 31-03-04 | As at 01-04-03 | On Assets added on Amalgamation | For the year | Deduction during the year | Total as at 31-3-04 | As at 31-3-04 | As at 31-3-03 |
| 1  | Land & Land Development       | 20.91                | 0.01                         | NIL (18.00)                           | 2.92                 | NIL            | NIL                             | NIL          | NIL                       | NIL                 | 2.92          | 20.91         |
| 2  | Factory Building              | 42.73                | 0.68                         | 1.06                                  | 44.47                | 11.76          | 0.21                            | 2.71         | NIL                       | 14.68               | 29.79         | 30.97         |
| 3  | Non-Factory Building & Colony | 13.23                | NIL                          | 0.24 (7.50)                           | 5.97                 | 1.12           | NIL                             | 0.24         | NIL                       | 1.36                | 4.61          | 12.11         |
| 4  | Plant & Machinery             | 132.99               | 1.43                         | 6.97 (0.15)                           | 141.24               | 49.21          | 0.66                            | 13.99        | 0.09                      | 63.77               | 77.47         | 83.78         |
| 5  | Electric Supply System        | 5.88                 | 0.06                         | NIL                                   | 5.94                 | 2.71           | 0.03                            | 0.64         | NIL                       | 3.38                | 2.56          | 3.17          |
| 6  | Vehicles                      | 2.51                 | NIL                          | 0.38                                  | 2.89                 | 1.13           | NIL                             | 0.27         | NIL                       | 1.40                | 1.49          | 1.38          |
| 7  | Furniture & Fixtures          | 1.40                 | NIL                          | 0.16                                  | 1.56                 | 0.75           | NIL                             | 0.09         | NIL                       | 0.84                | 0.72          | 0.65          |
| 8  | Office Equipments             | 1.18                 | 0.01                         | 0.49                                  | 1.68                 | 0.41           | 0.01                            | 0.14         | NIL                       | 0.56                | 1.12          | 0.77          |
| 9  | D.G.Set                       | 14.38                | NIL                          | NIL                                   | 14.38                | 5.33           | NIL                             | 1.49         | NIL                       | 6.82                | 7.56          | 9.05          |
| 10 | Temple                        | 0.19                 | NIL                          | NIL                                   | 0.19                 | 0.02           | NIL                             | NIL          | NIL                       | 0.02                | 0.17          | 0.17          |
| 11 | Factory Road                  | 0.40                 | NIL                          | NIL                                   | 0.40                 | 0.04           | NIL                             | 0.01         | NIL                       | 0.05                | 0.35          | 0.36          |
| 12 | Effluent Treatment Plant      | 1.09                 | NIL                          | NIL                                   | 1.09                 | 0.46           | NIL                             | 0.12         | NIL                       | 0.58                | 0.51          | 0.63          |
| 13 | Trade Mark                    | NIL                  | 0.50                         | NIL                                   | 0.50                 | NIL            | 0.15                            | 0.05         | NIL                       | 0.20                | 0.30          | NIL           |
|    | <b>TOTAL :</b>                | <b>236.89</b>        | <b>2.69</b>                  | <b>(16.35)</b>                        | <b>223.23</b>        | <b>72.94</b>   | <b>1.06</b>                     | <b>19.75</b> | <b>0.09</b>               | <b>93.66</b>        | <b>129.57</b> | <b>163.95</b> |
|    | CAPITAL WORK IN PROGRESS      | NIL                  | NIL                          | 12.37                                 | 12.37                | NIL            | NIL                             | NIL          | NIL                       | NIL                 | 12.37         | NIL           |
|    | CAPITAL ADVANCE               | 0.15                 | NIL                          | 2.16                                  | 2.31                 | NIL            | NIL                             | NIL          | NIL                       | NIL                 | 2.31          | 0.15          |
|    | <b>TOTAL :</b>                | <b>237.04</b>        | <b>2.69</b>                  | <b>(1.82)</b>                         | <b>237.91</b>        | <b>72.94</b>   | <b>1.06</b>                     | <b>19.75</b> | <b>0.09</b>               | <b>93.66</b>        | <b>144.25</b> | <b>164.10</b> |
|    | Previous year                 | 229.88               | NIL                          | 7.00                                  | 236.88               | 56.57          | NIL                             | 16.39        | 0.02                      | 72.94               | 163.94        | 173.31        |

|                                                                                                                                                  | AS AT<br>31.03.2004    | AS AT<br>31.03.2003 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------|
| <b>SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES</b>                                                                                           |                        |                     |
| <b>Current Assets</b>                                                                                                                            |                        |                     |
| <b>1 Inventories</b> (As taken, Valued & Certified by the management)                                                                            |                        |                     |
| Finished Goods                                                                                                                                   | 73.55                  | 31.71               |
| Work in Process                                                                                                                                  | 2.01                   | 1.55                |
| Raw Materials                                                                                                                                    | 128.54                 | 35.03               |
| Packing Materials                                                                                                                                | 1.09                   | 1.12                |
| Stores & Spares, Coal, Diesel                                                                                                                    | 7.66                   | 6.34                |
|                                                                                                                                                  | <u>212.85</u>          | <u>75.75</u>        |
| <b>2 Sundry Debtors</b><br>(Unsecured, Considered Good)                                                                                          |                        |                     |
| Outstanding for a period exceeding six months                                                                                                    | NIL                    | 0.08                |
| Others                                                                                                                                           | 77.37                  | 39.21               |
|                                                                                                                                                  | <u>77.37</u>           | <u>39.29</u>        |
| <b>3 Cash &amp; Bank Balances</b>                                                                                                                |                        |                     |
| Cash on Hand                                                                                                                                     | 0.25                   | 0.11                |
| Balance with Scheduled Banks                                                                                                                     |                        |                     |
| (a) on Current account                                                                                                                           | 7.82                   | 0.82                |
| (b) on Fixed Deposit account                                                                                                                     | 5.30                   | 2.98                |
| With Other Banks                                                                                                                                 |                        |                     |
| (a) on Current account                                                                                                                           | NIL                    | NIL                 |
| Shri Kadi Nagrik Sahakari Bank Ltd Rs 21069/- (P.Y. Rs 21069/-<br>Maximum balance outstanding during the year Rs. 1761179/-<br>P.Y Rs. 21069/-)] |                        |                     |
|                                                                                                                                                  | <u>13.37</u>           | <u>3.91</u>         |
|                                                                                                                                                  | (Cont. in next Column) |                     |

|                                                                     | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
|---------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES (Cont.)</b>      |                     |                     |
| <b>4 Loans &amp; Advance (Unsecured, Considered Good)</b>           |                     |                     |
| Advances recoverable in cash or in kind or for value to be received | 8.44                | 2.92                |
| Advances for Goods & Expenses                                       | 1.57                | 1.28                |
| Excise Balances                                                     | 1.25                | 0.18                |
| Tax Balances (Current Tax-Advance Tax Less Provisions)              | Nil                 | 0.18                |
|                                                                     | <u>11.26</u>        | <u>4.56</u>         |
| <b>SCHEDULE "H" CURRENT LIABILITIES</b>                             |                     |                     |
| Creditors for Capital goods                                         | 0.99                | 0.03                |
| Creditors for Goods & Expenses & other Liabilities                  | 19.60               | 20.27               |
| Bank Overdraft as per Books                                         | 2.37                | 0.61                |
| Unclaimed Dividend                                                  | 0.28                | 0.40                |
|                                                                     | <u>23.24</u>        | <u>21.31</u>        |
| <b>SCHEDULE "I" PROVISIONS</b>                                      |                     |                     |
| Proposed Dividend (Net of Interim Dividend )                        | 3.13                | NIL                 |
| (Including Dividend Distribution Tax Rs. 3482963/- P.Y Rs. Nil)     |                     |                     |
| Tax Balances : Current Tax-Provisions Less Advance Tax              | 0.43                | NIL                 |
| Provision for Retirement Benefits :                                 |                     |                     |
| Gratuity                                                            | 1.44                | 1.20                |
| Leave Encashment                                                    | 0.36                | 0.29                |
|                                                                     | <u>5.36</u>         | <u>1.49</u>         |

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004** Rs. in Crores

|                                                                                                              | YR. ENDED<br>31.03.2004 | YR. ENDED<br>31.03.2003 |
|--------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>SCHEDULE "J" SALES</b>                                                                                    |                         |                         |
| Export Sales [FOB Value Rs.5042813593<br>(P.Y.Rs 2183286174)]                                                | 520.83                  | 233.42                  |
| Domestic Sales                                                                                               | 565.65                  | 387.93                  |
|                                                                                                              | <u>1086.48</u>          | <u>621.35</u>           |
| <b>SCHEDULE "K" OTHER INCOME</b>                                                                             |                         |                         |
| Dividend [(Gross Rs 52601/- (TDS Rs.Nil )]<br>{(P.Y. Rs 21821/- (TDS Rs.2428/-)}                             | 0.01                    | NIL                     |
| Miscellaneous Income                                                                                         | 0.31                    | 0.15                    |
| Profit on Sale of Investments                                                                                | 0.47                    | 0.01                    |
| Foreign Exchange Fluctuation (Net)                                                                           | NIL                     | 0.25                    |
| Forex Swapping Income                                                                                        | NIL                     | 1.46                    |
| Export Incentives                                                                                            | 0.18                    | 0.07                    |
|                                                                                                              | <u>0.97</u>             | <u>1.94</u>             |
| <b>SCHEDULE "L" COST OF GOODS SOLD</b>                                                                       |                         |                         |
| Opening Stock                                                                                                |                         |                         |
| Raw Materials                                                                                                | 35.03                   | 21.52                   |
| Work-in-Process                                                                                              | 1.55                    | 1.47                    |
| Finished Goods                                                                                               | 31.71                   | 19.34                   |
| Packing Material                                                                                             | 1.13                    | 1.59                    |
| Add : Material Purchased / acquired<br>( in pursuance of scheme of<br>Amalgamation Rs. 21778855/- P.Y. Nil ) | 1045.17                 | 519.28                  |
|                                                                                                              | <u>1114.59</u>          | <u>563.20</u>           |
| Less : Sale of Raw Materials                                                                                 | 5.11                    | 6.64                    |
|                                                                                                              | <u>1109.48</u>          | <u>556.56</u>           |
| Less : Closing Stock                                                                                         |                         |                         |
| Raw Material                                                                                                 | 128.54                  | 35.03                   |
| Work-in-Process                                                                                              | 2.01                    | 1.55                    |
| Finished Goods                                                                                               | 73.55                   | 31.71                   |
| Packing Material                                                                                             | 1.09                    | 1.13                    |
|                                                                                                              | <u>205.19</u>           | <u>69.42</u>            |
| <b>Total Cost of Goods Sold</b>                                                                              | <u>904.29</u>           | <u>487.14</u>           |
| <b>SCHEDULE "M" MANUFACTURING EXPENDITURE</b>                                                                |                         |                         |
| Stores & Spares Consumed                                                                                     | 6.85                    | 5.15                    |
| Power, Electricity, Diesel, LDO & Fuel Expenses                                                              | 22.67                   | 19.42                   |
| Coal, Castor DOC & Fuel Consumed                                                                             | 6.79                    | 4.92                    |
| Labour Charges                                                                                               | 4.06                    | 2.64                    |
| Repairs : Plant & Machinery                                                                                  | 0.90                    | 1.08                    |
| Building                                                                                                     | 1.12                    | 0.64                    |
| Others                                                                                                       | 0.19                    | 0.22                    |
| Insurance [Net of Claims]                                                                                    | 0.83                    | 0.31                    |
| Other Manufacturing Expenses                                                                                 | 0.99                    | 1.20                    |
|                                                                                                              | <u>44.40</u>            | <u>35.58</u>            |
| <b>SCHEDULE "N" EMPLOYEES COST</b>                                                                           |                         |                         |
| Salary, Wages & Bonus                                                                                        | 12.67                   | 10.70                   |
| Gratuity                                                                                                     | 0.29                    | 0.54                    |
| Contribution to Provident Fund & Other Funds                                                                 | 0.77                    | 0.69                    |
| Employees Welfare                                                                                            | 0.56                    | 0.52                    |
|                                                                                                              | <u>14.29</u>            | <u>12.45</u>            |

|                                                                                                     | YR. ENDED<br>31.03.2004 | YR. ENDED<br>31.03.2003 |
|-----------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>SCHEDULE "O" ADMINISTRATIVE EXPENSES</b>                                                         |                         |                         |
| Conveyance & Travelling Expenses [Including Directors Travelling<br>Rs3298341/- (P.Y.Rs 3727831/-)] | 1.03                    | 0.87                    |
| Electric Expenses                                                                                   | 0.39                    | 0.37                    |
| Vehicle Maintenance Expenses                                                                        | 0.46                    | 0.41                    |
| Insurance Expenses                                                                                  | 0.12                    | 0.04                    |
| Printing, Stationery, Postage & Telephone                                                           | 1.29                    | 1.19                    |
| Legal & Professional Expenses                                                                       | 1.10                    | 0.77                    |
| Rent                                                                                                | 0.24                    | 0.02                    |
| Rates & Taxes                                                                                       | 0.11                    | 0.05                    |
| Donations                                                                                           | 0.05                    | 0.03                    |
| Payment to Auditors :                                                                               |                         |                         |
| For Audit                                                                                           | 0.06                    | 0.05                    |
| For Tax Audit                                                                                       | 0.02                    | 0.01                    |
| For Certification                                                                                   | 0.01                    | NIL                     |
| General Administrative Charges                                                                      | 1.25                    | 0.82                    |
|                                                                                                     | <u>6.13</u>             | <u>4.63</u>             |
| <b>SCHEDULE "P" SALES EXPENSES</b>                                                                  |                         |                         |
| <b>For Domestic Sales</b>                                                                           |                         |                         |
| Sales Promotion Expenses                                                                            | 0.38                    | 0.18                    |
| Commission                                                                                          | 1.07                    | 1.02                    |
| Carriage Outward & Loading Unloading, Others                                                        | 2.10                    | 0.49                    |
| Sales Tax, C.S.T & Octroi                                                                           | 4.77                    | 2.12                    |
|                                                                                                     | <u>8.32</u>             | <u>3.81</u>             |
| <b>For Export Sales</b>                                                                             |                         |                         |
| Exports Sales Expenses                                                                              | 42.86                   | 36.29                   |
| Insurance                                                                                           | NIL                     | 0.01                    |
|                                                                                                     | <u>42.86</u>            | <u>36.30</u>            |
| <b>SCHEDULE "Q" FINANCE &amp; OTHER CHARGES</b>                                                     |                         |                         |
| Interest on Fixed Loans                                                                             | 0.05                    | 0.22                    |
| Interest on Working Capital Loans                                                                   | 5.00                    | 4.43                    |
| Interest on OCU Debentures/Deposits                                                                 | NIL                     | 0.79                    |
| Other Interest                                                                                      | 0.05                    | 0.61                    |
| Bank and Other Financial Charges                                                                    | 4.71                    | 1.56                    |
| Swapping, Forex & Other Expenses                                                                    | 0.14                    | NIL                     |
|                                                                                                     | <u>9.95</u>             | <u>7.61</u>             |
| <b>LESS : INCOME</b>                                                                                |                         |                         |
| Interest on Bank Deposits (Gross)<br>(TDS: Rs 7577903 /-(P.Y.TDS Rs 905571/-)                       | 4.82                    | 0.44                    |
| Interest on Others (Gross) (TDS Rs Nil (P.Y.TDS Rs 319544/-)                                        | 0.02                    | 1.53                    |
|                                                                                                     | <u>4.84</u>             | <u>1.97</u>             |
| <b>Net Expenditure</b>                                                                              | <u>5.11</u>             | <u>5.64</u>             |

**SCHEDULE "R" SIGNIFICANT ACCOUNTING POLICIES****(A) Accounting Convention**

The financial statements have been prepared under the historical cost convention. The Company consistently follows System of accounting as required under the provisions of the Companies Act, 1956.

Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted Accounting Principles. In applying the accounting policies, consideration has been given to Prudence, Substance over Form and Materiality.

**(B) Use of Estimates**

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

**(C) Revenue Recognition : Sales**

Sales includes Sales of goods, Sales tax, Excise Duty and is net of Returns, Discount and Quality rebates.

**(D) Fixed Assets**

(i) Fixed assets are stated at cost of acquisition or construction inclusive of incidental expenses and interest on the qualifying assets as per the requirements of the Accounting Standard on Borrowing costs vide Accounting Standard 16 issued by the Institute of Chartered Accountants of India, till the Fixed Assets are ready for use less accumulated depreciation.

(ii) Pre operative expenses, being all direct and indirect expenses incurred for the fixed assets are capitalised and apportioned to the various assets in the respective cost ratios.

(iii) In the case of new projects and substantial modernisation / expansions at existing units of the company, all pre-operative expenditure, initial spares acquired with machines, interest on all the borrowings, whether specific or general, for the purpose are capitalised up to the date of installation to the cost of qualifying Fixed Assets. Till such time the expenditure is carried as Capital work in progress.

**(E) Depreciation**

(1) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in, Schedule- XIV of the Companies Act, 1956, for all its assets during the year under consideration.

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

(3) In case of trademarks, which are acquired, the cost is amortised over the period of estimated life i.e.10 years.

**(F) Investments**

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

**(G) Government Grants**

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

**(H) Inventories**

Inventories are valued as under :

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

**(I) Foreign Currency Transaction**

(i) Transaction in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities related to foreign currency transaction, remaining unsettled at the year end are stated at the contracted rates, when converted under forward foreign exchange contracts and at year end rates in other cases. The premium payable on forward foreign exchange contracts is amortised over the period of the contract. Exchange gain/losses are recognized in the Profit and Loss Account except in respect of liabilities incurred to acquire fixed assets in which case, they are adjusted to the carrying amount of such fixed assets.

(ii) The balance in the Exchange Earners Foreign Currency bank account in US Dollars at the year end has been converted into Indian Rupees at the rate prevailing on that date. Any Exchange difference arising resultantly has been dealt in the Profit & Loss Account.

**(J) Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

**(K) Retirement Benefits****A : Gratuity**

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

(i) **Solvent (Kadi-old) Division** : The Company has made appropriate provision for gratuity for the employees by taking a policy with Life Insurance Corporation under the Cash Accumulation gratuity scheme. The premium paid to L.I.C. is charged to the Profit & Loss Account in the year of payment. The shortfall in the gratuity payment to the employee is payable by the company and expenditure is debited in the year of such shortfall.

(ii) **Other Divisions** : The Accrued liability of gratuity payable to employees has been fully provided on actuarial basis.

**B : Leave encashment**

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

**C : Provident fund**

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

**(L) Export Benefits/Incentives**

The benefits are accounted on the accrual basis.

**(M) Excise Duty**

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

**(N) Research and Development**

Research and Development expenditure of capital nature are capitalized and those of Revenue nature are charged to Profit and Loss account.

**(O) Borrowing Costs**

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

**(P) Contingent Liabilities**

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

**SCHEDULE "S" NOTES ON ACCOUNTS : [RS.IN CRORES]**

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

| PARTICULARS                                                                                                                    | 2003-04             | 2002-03             |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| (a) Claims against the Company /disputed liabilities not acknowledge as debts                                                  | 7.52                | 20.96               |
| (b) Disputed Income Tax , Excise, Sales Tax, Motor Spirit Tax                                                                  | 0.73                | 0.49                |
| (c) Estimated Amount of Contract Pending execution on Capital Account [Net of Advances of Rs 2.23 Crores (P.Y.Rs 0.15 Crores)] | 7.90                | 0.57                |
| (d) Letter of Credit & Bank Guarantee [Net of Margin Money Rs 2.44 Crores (P.Y.Rs 0.52 Crores) & discharged since then]        | 21.94               | 5.44                |
| (e) Corporate gurantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte.Ltd             | 13.09<br>(USD 3 Mn) | 14.24<br>(USD 3 Mn) |

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

**3. AMALGAMATION OF JUPITER BIOTECH LTD WITH GUJARAT AMBUJA EXPORTS LIMITED :**

During the year Jupiter Biotech Ltd. - the transferor company has been amalgamated with Gujarat Ambuja Exports Ltd. - the transferee company with effect from 1st April,2003 vide order of the Honourable Gujarat High Court received on 2nd December, 2003 and delivered to the office of Registrar of Companies on 24th December, 2003. The transferee company has incorporated the accounts of the transferor company after making necessary changes as required as per the scheme sanctioned by the Honourable Gujarat High Court on "Pooling of interest method" at the values appearing as at the opening balances as on 1st April, 2003 for each Asset and Liability as the amalgamation considers the transfer on "Going Concern" basis. Share Investments & Land at Nani Kadi which are held in the name of Jupiter Biotech Ltd. are being transferred to Gujarat Ambuja Exports Ltd., however the formalities for the same are under process.

**PARTICULARS OF THE SANCTIONED SCHEME**

- a) SHARE EXCHANGE RATIO :  
JUPITER BIOTECH LTD.: As per the sanctioned scheme approved, 1 Equity Share of Rs.10/- each credited as fully paid up of the transferee company is given in exchange of 1 fully paid up Equity Share of Rs.10/- each of Jupiter Biotech Ltd. to those members whose names appear in register of members as at the record date i.e. 30th January,2004.
- b) ACCOUNTING OF BALANCES OF THE TRANSFEROR COMPANY:  
As per the scheme of amalgamation as approved by the Honourable Gujarat High Court, following accounting treatment has been followed.
- The Equity shares held by the transferee company (42000 equity shares of Rs.10/- each) in the share capital of transferor company is cancelled.
  - Balance of Deferred Tax Liability net off Deferred Tax Asset of the transferor company is treated as free reserves and is credited to the general reserve of the transferee company.
  - Balance of general reserve of transferor company is transferred to general reserve of transferee company.
  - Balance of Share Premium Account of transferor company is transferred to share premium account (securities premium account) of transferee company.
  - Balance of Profit & Loss Account of transferor company is transferred to Profit & Loss Account of transferee company.
  - All assets and liabilities of transferor company are classified under the same/similar heads of accounting by the transferee company in its Balance Sheet and Profit & Loss Accounts.
  - The excess of the value of the net assets of the transferor company as appearing in the books of accounts of the transferor company over the paid up value of the shares issued and allotted pursuant to the terms of scheme is

credited in the books of transferee company to a separate account named and styled as "Amalgamation Reserve Account" which is considered as free reserve.

- 4.a) Tax liability calculated U/S 115 JB of the Income Tax Act,1961 is provided in the Accounts. No Income Tax liability ascertained under normal provisions of the Income Tax, in view of available carried forward unabsorbed depreciation.
- b) **Deferred Tax** : Major Components of Deferred tax liabilities and Deferred tax assets.

| PARTICULARS                       | As At 31st March 2004 | As At 31st March 2003 |
|-----------------------------------|-----------------------|-----------------------|
| <b>A Deferred tax liabilities</b> |                       |                       |
| (i) Depreciation                  | 23.94                 | 26.29                 |
| (ii) Other Provisions             | 0.11                  | 0.11                  |
| <b>Total</b>                      | <b>24.05</b>          | <b>26.40</b>          |
| <b>B Deferred tax Assets</b>      |                       |                       |
| (i) Provisions - 43 B items       | 1.59                  | 0.23                  |
| (ii) Unabsorbed Depreciation      | 1.10                  | 10.49                 |
| <b>Total</b>                      | <b>2.69</b>           | <b>10.72</b>          |
| <b>Net Deferred tax liability</b> | <b>21.36</b>          | <b>15.68</b>          |

5. Sales include realised gain of exchange on forward exchange contracts (Net of Settlements) entered into primarily for hedging purpose : Rs 10.09 Crores (net) (P.Y.Rs 5.98 Crores) (net).
6. The expenditure on account of exchange difference on outstanding forward exchange contracts to be recognized in the Profit and Loss Account of subsequent accounting period aggregate to Rs Nil (P.Y.Rs Nil)
7. Borrowing costs capitalised during the year: Rs.Nil (P.Y.Rs. Nil)

**8. Managerial Remuneration : (Rupees in Crores)**

| PARTICULARS                                 | 2003-04 | 2002-03 |
|---------------------------------------------|---------|---------|
| Salary                                      | 0.32    | 0.32    |
| Contribution to PF & Other Funds            | 0.00    | 0.00    |
| (Rs 28080/- P.Y. Rs 28080/-)                |         |         |
| Value of Perquisite (As per I.T. Valuation) | 0.00    | 0.00    |
| (Rs 52800/- P.Y. Rs 52800/-)                |         |         |

9. As per the information available with the company there are no small scale industrial undertakings to whom the company owed any sum as at 31<sup>st</sup> March, 2004 and hence there is no balance outstanding for more than 30 days as at 31<sup>st</sup> March, 2004.
10. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**11. Loan to subsidiary is as follows : (Rupees in Crores)**

|                                      | 2003-04 | 2002-03 |
|--------------------------------------|---------|---------|
| Subsidiary Company :                 |         |         |
| Gujarat Ambuja International Pte.Ltd | Nil     | Nil     |
| Maximum amount due during the year : |         |         |
| Subsidiary Company :                 |         |         |
| Gujarat Ambuja International Pte.Ltd | Nil     | 0.35    |

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

**I. CAPACITY WITH REGARD TO CLASS OF GOODS MANUFACTURED**

(Installed capacity is certified by management)

| PARTICULARS                                          | Unit | 2003-04 | 2002-03 |
|------------------------------------------------------|------|---------|---------|
| (A) Solvent Extraction Unit : Installed Capacity     | TPA  | 450000  | 450000  |
| (B) Vanaspati Unit : Installed Capacity              | TPA  | 15000   | 15000   |
| (C) Refining of any kind of oil : Installed Capacity | TPA  | 105000  | 105000  |
| (D) Maize based Starch, Seed Crushing :              |      |         |         |
| InstalledCapacity                                    | TPA  | 90000   | 90000   |
| (E) Wheat Products : Installed Capacity              | TPA  | 45000   | 45000   |
| (F) 100 % E.O.U. Cotton Spinning Unit :              |      |         |         |
| Installed Capacity ( T P D) Ring Spun Yarn           |      | 30      | 27      |

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

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

**(Rupees in Crores)**

| ITEM                                | Unit | Opening Stock |        | Production/<br>Receipts | Sales/<br>Reprocess |          | Transfer<br>for captive<br>consumption | Closing Stock |         |
|-------------------------------------|------|---------------|--------|-------------------------|---------------------|----------|----------------------------------------|---------------|---------|
|                                     |      | QTY.          | RS.    |                         | QTY.                | RS.      |                                        | QTY.          | RS.     |
| <b>(A) AGRO PROCESSING DIVISION</b> |      |               |        |                         |                     |          |                                        |               |         |
| 1. Food Products                    | M.T  | 5746.723      | 18.64  | 199762.633              | 190036.561          | 616.45   | 888.235                                | 14584.560     | 59.38   |
|                                     |      | (3362.262)    | (8.02) | (118810.848)            | (116266.412)        | (314.59) | (159.975)                              | (5746.723)    | (18.64) |
| 2. Chemicals & Allied Products      | M.T  | 806.575       | 0.81   | 44803.000               | 24339.325           | 23.96    | 19236.600                              | 2033.650      | 1.44    |
|                                     |      | (891.900)     | (0.62) | (40993.800)             | (23859.425)         | (26.54)  | (17219.700)                            | (806.575)     | (0.81)  |
| 3. Extractions & Derivatives        |      | 18797.337     | 10.37  | 334125.584              | 337631.359          | 305.78   | 645.905                                | 14645.657     | 11.78   |
|                                     |      | (10886.363)   | (8.83) | (238008.734)            | (230097.760)        | (182.84) | (Nil)                                  | (18797.337)   | (10.45) |
| <b>(B) COTTON YARN DIVISION</b>     |      |               |        |                         |                     |          |                                        |               |         |
| 1. Cotton Yarn                      | M.T  | 228.574       | 1.82   | 11863.510               | 11968.086           | 134.22   | Nil                                    | 123.998       | 0.92    |
|                                     |      | (279.798)     | (1.87) | (9847.893)              | (9899.116)          | (97.37)  | (Nil)                                  | (228.574)     | (1.82)  |
| 2. Others                           |      |               | 0.07   |                         |                     | 6.06     |                                        |               | 0.04    |
|                                     |      |               | (0.32) |                         |                     | (5.83)   |                                        |               | (0.07)  |

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

2. In Others 'P' denotes Production whose sales value is shown in sales & closing stock.

**12 II.(b) RAW MATERIAL CONSUMED :** (Rs. in Crores)

| ITEMS                                                     | 2003-2004         |                 | 2002-2003         |                 |
|-----------------------------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                                           | QTY.<br>(M.T.)    | AMOUNT<br>(RS.) | QTY.<br>(M.T.)    | AMOUNT<br>(RS.) |
| Agro Products being Oil Seed,<br>Cakes, Oil, Maize, Wheat | 554585.426        | 856.21          | 374971.398        | 441.73          |
| Cotton & Cotton Yarn                                      | 16750.940         | 80.17           | 14020.421         | 52.35           |
| Chemicals & Others                                        | N.A.              | 10.21           | N.A.              | 5.51            |
| <b>Total</b>                                              | <b>571336.366</b> | <b>946.59</b>   | <b>388991.819</b> | <b>499.59</b>   |

**13. Value of Imported and Indigenous Raw Material, Stores & Spares consumed.** (Rs. in Crores)

| PARTICULARS                                  | 2003-2004     |               | 2002-2003     |               |
|----------------------------------------------|---------------|---------------|---------------|---------------|
|                                              | AMOUNT        | %             | AMOUNT        | %             |
| <b>(A) RAW MATERIALS :</b>                   |               |               |               |               |
| Imported                                     | 205.84        | 21.75         | 81.35         | 16.28         |
| Indigenous                                   | 740.75        | 78.25         | 418.24        | 83.72         |
| <b>Total</b>                                 | <b>946.59</b> | <b>100.00</b> | <b>499.59</b> | <b>100.00</b> |
| <b>(B) STORES, SPARES &amp; COMPONENTS :</b> |               |               |               |               |
| Imported                                     | 0.15          | 4.53          | 0.16          | 3.12          |
| Indigenous                                   | 6.70          | 95.47         | 4.99          | 96.88         |
| <b>Total</b>                                 | <b>6.85</b>   | <b>100.00</b> | <b>5.15</b>   | <b>100.00</b> |

**14. Value of Imports on CIF basis during the year :**

(Rs. in Crores)

| PARTICULARS         | 2003-04 | 2002-03 |
|---------------------|---------|---------|
|                     | Amount  | Amount  |
| Capital Goods       | 1.88    | 4.17    |
| Goods               | 199.53  | 73.33   |
| Stores & Components | 0.15    | 0.28    |

**15. Earning in Foreign currency during the year :**

(Rs. in Crores)

| PARTICULARS        | 2003-04 | 2002-03 |
|--------------------|---------|---------|
|                    | Amount  | Amount  |
| FOB Value of Sales | 504.28  | 218.33  |

**16. Expenditure in foreign currency during the year :**

(Rs. in Crores)

| PARTICULARS                           | 2003-04 | 2002-03 |
|---------------------------------------|---------|---------|
|                                       | Amount  | Amount  |
| Consumables                           | 18.75   | 13.21   |
| Bank Charges, Foreign Travelling etc. | 3.06    | 1.08    |
| Export Claims                         | 0.22    | 6.46    |
| Overseas Commission                   | 2.84    | 1.84    |
| Market Development                    | 4.78    | Nil     |
| Membership fees, Books & Periodicals  | 0.02    | 0.01    |

**17. Earning per Share (EPS) :**

(Rs. in Crores)

| PARTICULARS                                                 | 2003-04                                 | 2002-03  |
|-------------------------------------------------------------|-----------------------------------------|----------|
|                                                             | Net Profit as per Profit & Loss Account | 25.37    |
| No. Of Equity Shares as at year end.                        | 27863698                                | 23765698 |
| Earning per Equity Shares of Rs 10/- each (Basic) (inRs.)   | 9.105                                   | 4.655    |
| Earning per Equity Shares of Rs 10/- each (Diluted) (inRs.) | 9.105                                   | 3.970    |

Note : For the purpose of calculation of EPS for the year & Diluted EPS for last year the denomination is 27863698 including 4098000 Equity Shares allotted upon amalgamation.

**18. Segment Information for the year ended 31st March, 2004**

(Rs. in Crores)

|                                                            | 2003-04        |                         |                  | 2002-03                 |                         |                  |
|------------------------------------------------------------|----------------|-------------------------|------------------|-------------------------|-------------------------|------------------|
|                                                            | Cotton<br>Yarn | Agro<br>Proce-<br>ssing | Elimi-<br>nation | Total<br>Cotton<br>Yarn | Agro<br>Proce-<br>ssing | Elimi-<br>nation |
| <b>(A) Revenue :</b>                                       |                |                         |                  |                         |                         |                  |
| External Sales                                             | 140.29         | 946.18                  |                  | 1086.47                 | 102.08                  | 647.49           |
| <b>(B) Result :</b>                                        |                |                         |                  |                         |                         |                  |
| (Profit before Interest & tax)                             |                |                         |                  |                         |                         |                  |
| Segment Result                                             | 16.89          | 26.90                   |                  | 43.79                   | 11.48                   | 21.54            |
| Unallocated Corporate<br>( Expenses/Income)                |                |                         |                  | 6.13                    |                         | -1.65            |
| <b>Operating Profit</b>                                    |                |                         |                  | 37.67                   |                         | 19.89            |
| Interest Expenses                                          |                |                         |                  | 5.11                    |                         | 5.78             |
| Interest /Dividend Income                                  |                |                         |                  | Nil                     |                         | Nil              |
| Current Tax (Dr.)                                          |                |                         |                  | 1.51                    |                         | 1.93             |
| Deferred Tax (Dr.)                                         |                |                         |                  | 5.68                    |                         | 0.50             |
| <b>Net Profit</b>                                          |                |                         |                  | 25.37                   |                         | 11.68            |
| <b>(C) Other Information</b>                               |                |                         |                  |                         |                         |                  |
| Segment Assets                                             | 126.19         | 332.91                  |                  | 459.10                  | 116.25                  | 288.88           |
| Unallocated Corporate Assets                               |                |                         |                  | 7.88                    |                         | -1.26            |
| <b>Total Assets</b>                                        |                |                         |                  | 466.98                  |                         | 287.62           |
| Segment Liabilities                                        | 31.57          | 197.58                  |                  | 229.15                  | 56.25                   | 33.73            |
| Unallocated Corporate<br>liabilities                       |                |                         |                  | 25.20                   |                         | Nil              |
| <b>Total Liabilities</b>                                   | 31.57          | 197.58                  |                  | 254.35                  | 56.25                   | 33.73            |
| <b>Net Assets</b>                                          | 94.62          | 135.33                  | -17.32           | 212.63                  | 60.00                   | 138.90           |
| Capital Expenditure                                        | 3.91           | 6.25                    |                  | 10.16                   | 11.23                   | 7.78             |
| (Net) Capitalised<br>Depreciation                          | 9.90           | 9.85                    |                  | 19.75                   | 9.29                    | 7.10             |
| Non cash Expenses other than<br>depreciation/ amortisation | Nil            | Nil                     |                  | Nil                     | Nil                     | Nil              |

**19. 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        |
| (4) Sulochana Gupta                                | Relative                                   | Relative as wife of Mr. Vijaykumar Gupta & mother of Manish Gupta     |
| (5) Mohit Gupta                                    | Relative                                   | Relative as son of Mr. Vijaykumar Gupta & Brother of Mr. Manish Gupta |
| (6) P.G.Makhija                                    | Executive Director (Key Managerial Person) | Key Managerial Person                                                 |



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

(Rs. in Crores)

| Transaction                                             | Total       | Subsidiary | Enterprise significantly influenced by Key Managerial Person | Key Managerial Person | Relative of Key Managerial Person |
|---------------------------------------------------------|-------------|------------|--------------------------------------------------------------|-----------------------|-----------------------------------|
| (a) Sale of Goods                                       | 20.47       | 20.47      | Nil                                                          |                       |                                   |
|                                                         | P.Y. (9.82) | (7.72)     | (2.10)                                                       |                       |                                   |
| (b) Managerial Remuneration                             | 0.32        |            |                                                              | 0.32                  |                                   |
|                                                         | P.Y. (0.32) |            |                                                              | (0.32)                |                                   |
| (c) Services : Sitting Fees (Rs 25000/-P.Y. Rs 12500/-) | Nil         |            |                                                              | Nil                   | Nil                               |
|                                                         |             |            |                                                              |                       | (Nil)                             |
| (d) Dividend paid for the year 2001-02 & 2002-03        | Nil         |            |                                                              | Nil                   | Nil                               |
|                                                         | P.Y. (1.45) |            |                                                              | (1.24)                | (0.21)                            |
| (e) Interest Paid                                       | Nil         |            |                                                              | Nil                   | Nil                               |
|                                                         | P.Y. (0.79) |            |                                                              | (0.41)                | (0.38)                            |
| <b>Balance Outstanding as at 31.03.2004</b>             |             |            |                                                              |                       |                                   |
| Amount Payable                                          | 0.89        | 0.89       | Nil                                                          |                       |                                   |
|                                                         | P.Y. (Nil)  | (Nil)      | (Nil)                                                        |                       |                                   |
| Amount Receivable                                       | Nil         |            | Nil                                                          |                       |                                   |
|                                                         | P.Y. (0.64) |            | (0.64)                                                       |                       |                                   |

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

|                                                                                                 |                                |                                                        |  |         |
|-------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------|--|---------|
| <b>I. REGISTRATION DETAILS :</b>                                                                |                                |                                                        |  |         |
| Regn.No 16151 of 1991-92                                                                        | State Code : 04                | Balance Sheet Date : 31.03.2004                        |  |         |
| <b>II. CAPITAL RAISED DURING THE YEAR</b>                                                       |                                |                                                        |  |         |
| Public Issue                                                                                    | Nil                            | Right Issue                                            |  | Nil     |
| Bonus Issue                                                                                     | Nil                            | Private Placement (Issued in Exchange on Amalgamation) |  | 4.10    |
| <b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>                                    |                                |                                                        |  |         |
| Total Liabilities                                                                               | 438.38                         | Total Assets                                           |  | 438.38  |
| <b>SOURCES OF FUNDS :</b>                                                                       |                                |                                                        |  |         |
| Paid up Capital                                                                                 | 27.86                          | Reserves & Surplus                                     |  | 184.77  |
| Secured Loans                                                                                   | 203.58                         | Unsecured Loans                                        |  | 0.81    |
| Deferred tax Liability(Net)                                                                     | 21.36                          |                                                        |  |         |
| <b>APPLICATION OF FUNDS :</b>                                                                   |                                |                                                        |  |         |
| Net Fixed Assets                                                                                | 144.25                         | Investment                                             |  | 7.88    |
| Net Current Assets                                                                              | 286.25                         | Misc.Expenditure                                       |  | Nil     |
| Accumulated Losses                                                                              | Nil                            |                                                        |  |         |
| <b>IV. PERFORMANCE OF THE COMPANY</b>                                                           |                                |                                                        |  |         |
| Turnover                                                                                        | 1086.47                        | Total Expenditure                                      |  | 1053.91 |
| Profit/Loss before tax                                                                          | 32.56                          | Profit/Loss after Tax                                  |  | 25.37   |
| Earning per share in Rs.                                                                        | 9.11                           | Dividend Rate % (Proposed)                             |  | 10.00   |
| <b>V. GENERIC NAMES OF THREE PRINCIPLE PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)</b> |                                |                                                        |  |         |
| Item Code No (ITC CODE)                                                                         | Product Description            |                                                        |  |         |
| 150710.00                                                                                       | SOYABEAN OIL AND ITS FRACTIONS |                                                        |  |         |
| 110812.00                                                                                       | MAIZE STARCH                   |                                                        |  |         |
| 110100.00                                                                                       | WHEAT FLOUR                    |                                                        |  |         |
| 520534.09                                                                                       | COTTON YARN                    |                                                        |  |         |

**21. Previous years figures are regrouped / rearranged wherever considered necessary. However, the figures of the current year are not strictly comparable with that of the previous year due to the amalgamation of Jupiter Biotech Ltd with effect from 01.04.2003 with Gujarat Ambuja Exports Ltd during the period under audit.**

For **KANTILAL PATEL & CO** CHARTERED ACCOUNTANTS  
for and on behalf of Board  
**VIJAYKUMAR GUPTA** (CHAIRMAN & MANAGING DIRECTOR)  
**MANISH GUPTA** MANAGING DIRECTOR  
**KAUSHIK KHONA** (CHIEF FINANCIAL OFFICER & COMPANY SECRETARY)  
Dated : 19th May, 2004  
Place : Ahmedabad

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004**

[Rupees in Crores]

| Sr. No                                                     | PARTICULARS | YEAR 2003-04 |                | YEAR 2002-03 |               |
|------------------------------------------------------------|-------------|--------------|----------------|--------------|---------------|
|                                                            |             | RS.          | RS.            | RS.          | RS.           |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:-</b>            |             |              |                |              |               |
| <b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS,</b>      |             |              |                |              |               |
| <b>ADJUSTMENTS FOR</b>                                     |             |              |                |              |               |
| Depreciation                                               |             | 19.75        |                | 16.39        |               |
| Interest Paid                                              |             | 9.95         |                | 7.6          |               |
| Interest Received                                          |             | -4.84        |                | -1.97        |               |
| Dividend Received [(Rs 52601/-/(P.Y.21821/-)]              |             | Nil          |                | Nil          |               |
| Profit/Loss on Sales of Investment                         |             | -0.47        |                | Nil          |               |
| Profit/Loss on Sales of Assets                             |             | 0.03         |                | 0.01         |               |
|                                                            |             |              | 24.42          |              | 22.03         |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>     |             |              | <b>56.98</b>   |              | <b>35.52</b>  |
| <b>ADJUSTMENTS FOR</b>                                     |             |              |                |              |               |
| Trade and other Receivables                                |             | -44.80       |                | -2.47        |               |
| Inventories                                                |             | -137.10      |                | -24.59       |               |
| Trade Payables                                             |             | 5.79         |                | 12.27        |               |
|                                                            |             |              | -176.11        |              | -14.79        |
| <b>CASH GENERATED FROM OPERATIONS</b>                      |             |              | <b>-119.13</b> |              | <b>20.73</b>  |
| <b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>                |             |              |                |              |               |
| <b>EXTRAORDINARY ITEMS :</b>                               |             |              |                |              |               |
| Dividend & Tax on Distribution                             |             | -3.13        |                | -1.05        |               |
| Tax Provision                                              |             | -1.51        |                | -0.50        |               |
|                                                            |             |              | -4.64          |              | -1.55         |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                  |             |              | <b>-123.77</b> |              | <b>19.18</b>  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>              |             |              |                |              |               |
| Purchase of Fixed Assets                                   |             | -26.50       |                | -19.07       |               |
| Sales of Fixed Assets                                      |             | 25.52        |                | 12.04        |               |
| Purchase of Investments                                    |             | -4.74        |                | Nil          |               |
| Sales/Share reduction of Investments [(P.Y.Rs 12090)]      |             | 0.47         |                | Nil          |               |
| Interest Received                                          |             | 4.84         |                | 1.97         |               |
| Dividend Received [(Rs 52601/-/(P.Y.21821/-)]              |             | Nil          |                | Nil          |               |
| <b>NET CASH GENERATED IN INVESTING ACTIVITIES</b>          |             |              | <b>-0.41</b>   |              | <b>-5.06</b>  |
|                                                            |             |              | -124.18        |              | 14.12         |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>              |             |              |                |              |               |
| Surplus on Amalgamation                                    |             | 5.86         |                | Nil          |               |
| Repayment/Proceeds from Bank Borrowings                    |             | 136.71       |                | 7.17         |               |
| Reduction of Capital by Repayment                          |             | Nil          |                | -6.21        |               |
| Capital Subsidy received                                   |             | 0.50         |                | Nil          |               |
| Repayment of Unsecured Loans                               |             | Nil          |                | -7.92        |               |
| Proceeds from Unsecured Loans                              |             | 0.52         |                | 0.05         |               |
| Interest Paid                                              |             | -9.95        |                | -7.60        |               |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>               |             |              | <b>133.64</b>  |              | <b>-14.51</b> |
| <b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>         |             |              | <b>9.46</b>    |              | <b>-0.39</b>  |
| Cash & Cash Equivalents as at (Opening Balance) 01/04/2003 |             | 3.91         |                | 4.30         |               |
| Cash & Cash Equivalents as at (Closing Balance) 31/03/2004 |             | 13.37        |                | 3.91         |               |
|                                                            |             |              | 9.46           |              | -0.39         |

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

|                                         |            |            |
|-----------------------------------------|------------|------------|
| 2 Cash and cash equivalents include     | As at      | As at      |
|                                         | 31.03.2004 | 31.03.2003 |
| Cash in hand(including cheques on hand) | 0.25       | 0.11       |
| With Scheduled Banks on                 |            |            |
| Current Accounts                        | 7.8        | 0.82       |
| Bank-Dividend Account                   | 0.36       | 0.09       |
| Short term Deposits                     | 4.96       | 2.89       |
|                                         | 13.37      | 3.91       |

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

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

This is the Cashflow Statement referred to for and on behalf of the Board in our report of even date

For **KANTILAL PATEL & CO** CHARTERED ACCOUNTANTS  
for and on behalf of Board  
**VIJAYKUMAR GUPTA** (CHAIRMAN & MANAGING DIRECTOR)  
**MANISH GUPTA** MANAGING DIRECTOR  
**KAUSHIK KHONA** (CHIEF FINANCIAL OFFICER & COMPANY SECRETARY)  
Dated : 19th May, 2004  
Place : Ahmedabad

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

**REPORT OF THE DIRECTORS**

The Directors present their report to the members together with the audited financial statements of the company for the year ended 31<sup>st</sup> March, 2004.

**1. Directors :**

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

MANISH VIJAY KUMAR GUPTA

VIJAY KUMAR GUPTA

SHILPA GUPTA (Appointed on 22-8-2003)

VENKATARAMAIYER SIVARAMAKRISHNAN (Resigned on 22-8-2003)

**2. Arrangements to enable directors to acquire shares or debentures:**

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

**3. Directors' Interest in Shares and Debentures**

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

**Shares of IRS. 10/- each in**

**GUJARAT AMBUJA EXPORTS LTD.**

| Names of the Director   | At the beginning of the year | At the end of the year |
|-------------------------|------------------------------|------------------------|
| MANISH VIJAYKUMAR GUPTA | 2,964,594                    | 3,240,894              |
| VIJAYKUMAR GUPTA        | 7,473,202                    | 10,181,494             |

**4. Directors' contractual benefits:**

During the year, no director has received or become entitled to receive any 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. Auditors:**

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

**On behalf of the Board of Directors**

India,

**(MANISH VIJAY KUMAR GUPTA)**

Date : 23<sup>rd</sup> JULY, 2004

**Director**

**(VIJAY KUMAR 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<sup>st</sup> March 2004 and of the results of the business, changes in equity and cash flows of the company for the financial year ended on that date and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

**On behalf of the Board of Directors**

India,

**(MANISH VIJAY KUMAR GUPTA)**

Date : 23<sup>rd</sup> JULY, 2004

**Director**

**(VIJAY KUMAR GUPTA)**

**Director**

**AUDITORS' REPORT**

To the members of  
Gujarat Ambuja International Pte. Ltd.

The financial statements of Gujarat Ambuja International Pte. Ltd for the accounting year 31<sup>st</sup> March, 2004, being a Company registered in the Republic of Singapore, are audited by MGI N RAJAN Associates, Certified Public Accountants, Singapore, and we have been furnished with their audit report dated 23<sup>rd</sup> July, 2004.

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

- 1 We have audited the attached Balance Sheet of Gujarat Ambuja International Pte. Ltd as at 31<sup>st</sup> March 2004, and the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion of these financial statements based on our audit.
- 2 Gujarat Ambuja International Pte. Ltd. is the wholly owned subsidiary of Gujarat Ambuja Exports Ltd incorporated in Republic of Singapore.
- 3 Our audit is limited to the extent of verifying whether the financial statements have been converted in Indian Rupees and that the accounting standards as envisaged under Section 211(3C) of Companies Act, 1956 have been complied with and whether the accounts are presented in accordance with Schedule VI of the Companies Act, 1956.
- 4 Further to our comments on the annexure referred to above & relying upon the above referred financial statements and auditors report dated 23<sup>rd</sup> July, 2004, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The balance sheet and profit & loss account dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the balance sheet and profit & loss account deal with this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2004, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion, on the basis of information and explanations given to us and relying upon the above referred financial statements and auditors' report thereon, the accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - i) in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2004; and
    - ii) in the case of profit & loss account, of the profit for the year ended on that date; and
    - iii) in the case of cash flow statement, of the year ended on that date.

**For KANTILAL PATEL & CO.  
Chartered Accountants**

**ASHWIN AMIN  
Partner**

**Place : Ahmedabad  
Date : 31st July, 2004**

**Membership No. : 35070**

**BALANCE SHEET AS AT 31st MARCH 2004** (Rs. In Crores)

| PARTICULARS                                                      | SCHE-<br>DULE | AS AT<br>31.03.04<br>AMT. | AS AT<br>31.03.03<br>AMT. |
|------------------------------------------------------------------|---------------|---------------------------|---------------------------|
| <b>(A) SOURCE OF FUNDS</b>                                       |               |                           |                           |
| SHARE HOLDERS' FUND                                              |               |                           |                           |
| Share Capital                                                    | <b>A</b>      | <b>1.99</b>               | 1.99                      |
| Reserves & Surplus                                               | <b>B</b>      | <b>0.11</b>               | -0.55                     |
|                                                                  |               | <b>2.10</b>               | 1.44                      |
| LOAN FUNDS                                                       |               |                           |                           |
| Secured Loans                                                    | <b>C</b>      | <b>0.00</b>               | 0.00                      |
| Unsecured Loans                                                  | <b>D</b>      | <b>0.00</b>               | 0.00                      |
|                                                                  |               | <b>0.00</b>               | 0.00                      |
| DEFERRED TAX LIABILITY                                           |               |                           |                           |
| Deferred tax liability                                           |               | <b>0.00</b>               | 0.00                      |
| Deferred tax assets                                              |               | <b>0.07</b>               | 0.00                      |
|                                                                  |               | <b>-0.07</b>              | 0.00                      |
| <b>TOTAL-</b>                                                    |               | <b>2.03</b>               | 1.44                      |
| <b>(B) APPLICATION OF FUNDS</b>                                  |               |                           |                           |
| FIXED ASSETS                                                     |               |                           |                           |
| Gross Block                                                      | <b>E</b>      | <b>0.08</b>               | 0.08                      |
| Less : Depreciation                                              |               | <b>0.08</b>               | 0.07                      |
| Net Block                                                        |               | <b>0.00</b>               | 0.01                      |
| Add : Capital work in Progress                                   |               | <b>0.00</b>               | 0.00                      |
|                                                                  |               | <b>0.00</b>               | 0.01                      |
| INVESTMENTS                                                      |               |                           |                           |
| CURRENT ASSETS,<br>LOANS & ADVANCES                              |               |                           |                           |
| Inventories                                                      | <b>F</b>      | <b>0.00</b>               | 0.00                      |
| Sundry Debtors                                                   | <b>G</b>      | <b>0.73</b>               | 0.99                      |
| Cash & Bank Balances                                             |               | <b>0.00</b>               | 0.00                      |
| Loans & Advances                                                 |               | <b>0.56</b>               | 0.45                      |
|                                                                  |               | <b>0.89</b>               | 0.01                      |
|                                                                  |               | <b>2.18</b>               | 1.45                      |
| Less : Current Liabilities                                       | <b>H</b>      | <b>0.15</b>               | 0.02                      |
| Provisions                                                       | <b>I</b>      | <b>0.00</b>               | 0.00                      |
|                                                                  |               | <b>0.15</b>               | 0.02                      |
| <b>Net Current Assets</b>                                        |               | <b>2.03</b>               | 1.43                      |
| MISC. EXPENDITURE<br>(To the extent not written off on adjusted) |               |                           |                           |
|                                                                  |               | <b>Nil</b>                | Nil                       |
| <b>TOTAL-</b>                                                    |               | <b>2.03</b>               | 1.44                      |
| Significant Accounting Policies<br>& Notes on Accounts           | <b>R</b>      |                           |                           |

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

**ASHWIN AMIN**  
PARTNER  
MEMBERSHIP NO. : 35070

Dated: 31st July,2004  
Place:Ahmedabad

for and on behalf of Board

**VIJAYKUMAR GUPTA**  
(DIRECTOR)

**MANISH GUPTA**  
(DIRECTOR)

Dated: 31st July,2004  
Place:Ahmedabad

**PROFIT & LOSS ACCOUNT FOR THE  
YEAR ENDED 31st MARCH 2004** (Rs. In Crores)

| PARTICULARS                                                      | SCHE-<br>DULE | FOR THE<br>YR. ENDED<br>31.03.2004<br>AMOUNT | FOR THE<br>YR. ENDED<br>31.03.2003<br>AMOUNT |
|------------------------------------------------------------------|---------------|----------------------------------------------|----------------------------------------------|
| <b>(A) INCOME</b>                                                |               |                                              |                                              |
| Sales                                                            | <b>J</b>      | <b>29.25</b>                                 | 39.76                                        |
| Less : Excise Duty                                               |               | <b>0.00</b>                                  | 0.00                                         |
| Net Sales                                                        |               | <b>29.25</b>                                 | 39.76                                        |
| Other Income                                                     | <b>K</b>      | <b>0.02</b>                                  | 0.01                                         |
| <b>TOTAL - "A"</b>                                               |               | <b>29.27</b>                                 | 39.77                                        |
| <b>(B) EXPENDITURE</b>                                           |               |                                              |                                              |
| Cost of Goods Sold                                               | <b>L</b>      | <b>28.10</b>                                 | 38.25                                        |
| Manufacturing Expenses                                           | <b>M</b>      | <b>0.00</b>                                  | 0.00                                         |
| Employees' Cost                                                  | <b>N</b>      | <b>0.23</b>                                  | 0.23                                         |
| Administrative Expenses                                          | <b>O</b>      | <b>0.11</b>                                  | 0.20                                         |
| Sales Expenses                                                   | <b>P</b>      | <b>0.00</b>                                  | 0.20                                         |
| Loss on Sale of Fixed Assets                                     |               | <b>0.00</b>                                  | 0.00                                         |
| Finance & Other Charges                                          | <b>Q</b>      | <b>0.18</b>                                  | 0.15                                         |
| Depreciation                                                     |               | <b>0.00</b>                                  | 0.00                                         |
| <b>TOTAL - "B"</b>                                               |               | <b>28.62</b>                                 | 39.03                                        |
| Profit before Tax (A-B)                                          |               | <b>0.65</b>                                  | 0.74                                         |
| Provision for Taxation                                           |               |                                              |                                              |
| - Current tax                                                    |               | <b>0.00</b>                                  | 0.00                                         |
| - Deferred tax                                                   |               | <b>-0.07</b>                                 | 0.00                                         |
| Profit after Tax                                                 |               | <b>0.72</b>                                  | 0.74                                         |
| Add: Balance of Profit from<br>Previous Year                     |               | <b>-0.87</b>                                 | -1.61                                        |
| Profit available for appropriation                               |               | <b>-0.15</b>                                 | -0.87                                        |
| <b>APPROPRIATION</b>                                             |               |                                              |                                              |
| Balance carried to Balance Sheet                                 |               | <b>-0.15</b>                                 | -0.87                                        |
| <b>TOTAL</b>                                                     |               | <b>-0.15</b>                                 | -0.87                                        |
| Significant Accounting Policies<br>& Notes on Accounts           | <b>R</b>      |                                              |                                              |
| Earning per Ordinary Share of<br>S\$ 1/- each (Basic) (in Rs.)   |               | 8.33                                         | 8.75                                         |
| Earning per Ordinary Share of<br>S\$ 1/- each (Diluted) (in Rs.) |               | 8.33                                         | 8.75                                         |

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

**ASHWIN AMIN**  
PARTNER  
MEMBERSHIP NO. : 35070

Dated: 31st July,2004  
Place:Ahmedabad

for and on behalf of Board

**VIJAYKUMAR GUPTA**  
(DIRECTOR)

**MANISH GUPTA**  
(DIRECTOR)

Dated: 31st July,2004  
Place:Ahmedabad

## SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2004

Rs. in Crores

|                                                                                                                   | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |                                                    | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
|-------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|----------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "A" SHARE CAPITAL</b>                                                                                 |                     |                     | <b>SCHEDULE "B" RESERVES &amp; SURPLUS (Cont.)</b> |                     |                     |
| <b>Authorised</b>                                                                                                 |                     |                     | <b>Exchange Reserve</b>                            |                     |                     |
| 1000000 (P.Y. 1000000) Ordinary Shares of<br>S\$ 1/- each converted in Indian Rupees at<br>the Balance Sheet Date | 2.33                | 2.33                | As per last account                                | 0.01                | 0.00                |
|                                                                                                                   |                     |                     | Add : Addition / Adjustment during the year        | 0.03                | 0.01                |
|                                                                                                                   | 2.33                | 2.33                |                                                    | 0.04                | 0.01                |
| <b>Issued,Subscribed and Paid Up Capital :</b>                                                                    |                     |                     | <b>Profit and Loss Account</b>                     | -0.15               | -0.87               |
| 854212 (P.Y. 854212) Ordinary Shares of<br>S\$ 1/- each Fully Paid converted in<br>Indian Rupees                  | 1.99                | 1.99                |                                                    | 0.11                | -0.55               |
|                                                                                                                   | 1.99                | 1.99                |                                                    |                     |                     |
| <b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>                                                                        |                     |                     | <b>SCHEDULE "C" SECURED LOANS</b>                  |                     |                     |
| <b>Translation Reserve</b>                                                                                        |                     |                     | Term loans                                         | 0.00                | 0.00                |
| As per last account                                                                                               | 0.31                | 0.00                | other loans (Working Capital)                      | 0.00                | 0.00                |
| Add : Additions / Adjustments during the year                                                                     | -0.09               | 0.31                |                                                    | 0.00                | 0.00                |
|                                                                                                                   | 0.22                | 0.31                | <b>SCHEDULE "D" UNSECURED LOANS</b>                | 0.00                | 0.00                |
|                                                                                                                   |                     |                     |                                                    | 0.00                | 0.00                |

## SCHEDULE "E" FIXED ASSETS

| Sr.<br>No. | Particulars          | Gross Block       |                                                  |                            | Depreciation      |                 |                                  |                            | Net Block         |                   |
|------------|----------------------|-------------------|--------------------------------------------------|----------------------------|-------------------|-----------------|----------------------------------|----------------------------|-------------------|-------------------|
|            |                      | As At<br>01.04.03 | Additions/<br>(Deductions)<br>during the<br>year | Total<br>as at<br>31.03.04 | As At<br>01.04.03 | For the<br>year | Deductions<br>during<br>the year | Total<br>as at<br>31.03.04 | As At<br>31.03.04 | As At<br>31.03.03 |
| 1          | Furniture & Fixtures | 0.04              | 0.00                                             | 0.04                       | 0.04              | 0.00            | 0.00                             | 0.04                       | 0.00              | 0.00              |
| 2          | Office Equipments    | 0.04              | 0.00                                             | 0.04                       | 0.04              | 0.00            | 0.00                             | 0.04                       | 0.00              | 0.00              |
|            | <b>TOTAL :</b>       | <b>0.08</b>       | <b>0.00</b>                                      | <b>0.08</b>                | <b>0.08</b>       | <b>0.00</b>     | <b>0.00</b>                      | <b>0.08</b>                | <b>0.00</b>       | <b>0.00</b>       |

|                                                        | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |                                                                        | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
|--------------------------------------------------------|---------------------|---------------------|------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "F" INVESTMENTS (AT COST)</b>              | 0.00                | 0.00                | <b>SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES (Cont.)</b>         |                     |                     |
|                                                        | 0.00                | 0.00                | <b>Loans &amp; Advance (Unsecured, Considered Good)</b>                |                     |                     |
| <b>SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES</b> |                     |                     | Advances recoverable in cash or in kind or<br>for value to be received | 0.01                | 0.01                |
| <b>Current Assets</b>                                  |                     |                     | Advances for Goods & Expenses                                          | 0.88                | 0.00                |
| <b>Inventories</b>                                     |                     |                     |                                                                        | 0.89                | 0.01                |
| (As taken, Valued & Certified by the management)       |                     |                     | <b>SCHEDULE "H" CURRENT LIABILITIES</b>                                |                     |                     |
| Finished Goods                                         | 0.73                | 0.99                | Creditors for Goods & Expenses & other Liabilities                     | 0.15                | 0.02                |
|                                                        | 0.73                | 0.99                |                                                                        | 0.15                | 0.02                |
| <b>Sundry Debtors</b>                                  |                     |                     | <b>SCHEDULE "I" PROVISIONS</b>                                         | 0.00                | 0.00                |
| (Unsecured, Considered Good)                           |                     |                     |                                                                        | 0.00                | 0.00                |
| Others                                                 | 0.00                | 0.00                |                                                                        |                     |                     |
|                                                        | 0.00                | 0.00                |                                                                        |                     |                     |
| <b>Cash &amp; Bank Balances</b>                        |                     |                     |                                                                        |                     |                     |
| Cash on Hand                                           | 0.00                | 0.00                |                                                                        |                     |                     |
| Balance with Banks                                     |                     |                     |                                                                        |                     |                     |
| (a) on Current account                                 | 0.13                | 0.01                |                                                                        |                     |                     |
| (b) on Fixed Deposit account                           | 0.43                | 0.44                |                                                                        |                     |                     |
|                                                        | 0.56                | 0.45                |                                                                        |                     |                     |

## SCHEDULES TO THE PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

Rs. in Crores

|                                  | YR. ENDED<br>31.03.2004 | YR. ENDED<br>31.03.2003 |                                        | YR. ENDED<br>31.03.2004 | YR. ENDED<br>31.03.2003 |
|----------------------------------|-------------------------|-------------------------|----------------------------------------|-------------------------|-------------------------|
| <b>SCHEDULE "J" SALES</b>        |                         |                         | <b>SCHEDULE "L" COST OF GOODS SOLD</b> |                         |                         |
| Sales                            | 29.25                   | 39.76                   | Opening Stock                          |                         |                         |
|                                  | 29.25                   | 39.76                   | Finished Goods                         | 0.97                    | 0.32                    |
| <b>SCHEDULE "K" OTHER INCOME</b> |                         |                         | Add : Material Purchased / acquired    | 27.86                   | 38.90                   |
| Miscellaneous Income             | 0.02                    | 0.01                    |                                        | 28.83                   | 39.22                   |
|                                  | 0.02                    | 0.01                    | Less : Closing Stock                   |                         |                         |
|                                  |                         |                         | Finished Goods                         | 0.73                    | 0.97                    |
|                                  |                         |                         |                                        | 0.73                    | 0.97                    |
|                                  |                         |                         | <b>Total Cost of Goods Sold</b>        | <b>28.10</b>            | <b>38.25</b>            |

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST MARCH, 2004**

Rs. in Crores

|                                                 | YR. ENDED<br>31.03.2004 | YR. ENDED<br>31.03.2003 |
|-------------------------------------------------|-------------------------|-------------------------|
| <b>SCHEDULE "M"</b>                             |                         |                         |
| <b>MANUFACTURING EXPENDITURE</b>                | <b>0.00</b>             | <b>0.00</b>             |
|                                                 | <b>0.00</b>             | <b>0.00</b>             |
| <b>SCHEDULE "N" EMPLOYEES COST</b>              |                         |                         |
| Salary,Wages & Bonus                            | 0.22                    | 0.21                    |
| Contribution to Provident Fund & Other Funds    | 0.01                    | 0.02                    |
|                                                 | <b>0.23</b>             | <b>0.23</b>             |
| <b>SCHEDULE "O" ADMINISTRATIVE EXPENSES</b>     |                         |                         |
| Conveyance & Travelling Expenses                | 0.00                    | 0.01                    |
| Printing,Stationery,Postage & Telephone         | 0.02                    | 0.05                    |
| Legal & Professional Expenses                   | 0.01                    | 0.03                    |
| Rent                                            | 0.05                    | 0.06                    |
| Payment to Auditors :                           |                         |                         |
| For Audit                                       | 0.01                    | 0.01                    |
| General Administrative Charges                  | 0.02                    | 0.04                    |
|                                                 | <b>0.11</b>             | <b>0.20</b>             |
| <b>SCHEDULE "P" SALES EXPENSES</b>              |                         |                         |
| Sales Expenses                                  | 0.00                    | 0.13                    |
| Bad Debts Written Off                           | 0.00                    | 0.07                    |
|                                                 | <b>0.00</b>             | <b>0.20</b>             |
| <b>SCHEDULE "Q" FINANCE &amp; OTHER CHARGES</b> |                         |                         |
| Interest on Working Capital Loans               | 0.06                    | 0.04                    |
| Bank and Other Financial Charges                | 0.11                    | 0.20                    |
| Swaping , Forex & Other Expenses                | 0.01                    | 0.01                    |
|                                                 | <b>0.18</b>             | <b>0.25</b>             |
| <b>LESS : INCOME</b>                            |                         |                         |
| Interest on Bank Deposits                       | 0.00                    | 0.10                    |
|                                                 | <b>0.00</b>             | <b>0.10</b>             |
| <b>Net Expenditure</b>                          | <b>0.18</b>             | <b>0.15</b>             |

**SCHEDULE "R"****NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004**

(Rs. in Crores)

*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 2004 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

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

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

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

The Company had employed "1" (2003 : 1) employee as at 31 March 2004.

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) SYSTEM OF ACCOUNTING**

- i) The accounts are prepared on the historical cost basis and on the accounting principles of a going concern.

ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

iii) All expenditure and income to the extent considered payable and receivable respectively are accounted for on accrual basis except those with significant uncertainties.

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

All items of property, plant and equipment are initially recorded at cost. All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line basis to write off or revealed amount of other property, plant and equipment over their useful lives. The estimated rates have been taken as follows:-

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

Repairs and maintenance are taken to the profit and loss account during the financial period in which they are incurred. Interest on borrowings to finance the property, plant and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed. Full depreciation is provided in the year of the purchase and no depreciation is provided in the year of disposal.

**c) Revenue recognition**

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

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

**d) Deferred income taxes**

The company adopts the liability method of tax effect accounting. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

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

The statutory tax rates enacted the balance sheet date are used to determine deferred income tax.

**e) CONVERSION TO INDIAN RUPEES**

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the year. All assets and Liabilities are translated at the closing rate as on the balance sheet date. The exchange difference arising out of the year-end translation is debited or credited "Translation Reserve".

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

| 3. TAXATION               | (Rs. in Crores) |        |
|---------------------------|-----------------|--------|
|                           | 2004            | 2003   |
|                           | Rupees          | Rupees |
| Current year provision    | —               | —      |
| Deferred Assets (Note 13) | (0.07)          | —      |
|                           | (0.07)          | —      |

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

|                                              | (Rs. in Crores) |        |
|----------------------------------------------|-----------------|--------|
|                                              | 2004            | 2003   |
|                                              | Rupees          | Rupees |
| Profit before taxation                       | 0.64            | 0.75   |
| Tax at statutory rate of 20% (2003 : 22%)    | 0.13            | 0.16   |
| Tax effect on no-deductible expenses         | —               | —      |
| Deferred tax asset on losses not recognized  | —               | —      |
| In previous year                             | (0.13)          | (0.16) |
| Singapore statutory stepped income Exemption | —               | —      |
|                                              | —               | —      |

| 4. DEFERRED TAXATION                            | (Rs. in Crores) |        |
|-------------------------------------------------|-----------------|--------|
|                                                 | 2004            | 2003   |
|                                                 | Rupees          | Rupees |
| Balance b/f                                     | —               | —      |
| Deferred tax assets on losses                   | (0.07)          | —      |
| Deferred tax liability on temporary Differences | 0.00            | —      |
| Balance carried forward                         | (0.07)          | —      |

| 5. FINANCIAL INSTRUMENTS                                                                                                                  | (Rs. in Crores) |        |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------|
|                                                                                                                                           | 2004            | 2003   |
|                                                                                                                                           | Rupees          | Rupees |
| Fair value                                                                                                                                | —               | —      |
| The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate to their fair value. | —               | —      |

| 6. RELATED PARTY DISCLOSURES                                                                                                                                                                                             | (Rs. in Crores) |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------|
|                                                                                                                                                                                                                          | 2004            | 2003   |
|                                                                                                                                                                                                                          | Rupees          | Rupees |
| Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the company with related parties at negotiated rates. | —               | —      |
| During the year the company has entered into transaction with a related party as shown below:-                                                                                                                           | —               | —      |

|                                       | (Rs. in Crores) |        |
|---------------------------------------|-----------------|--------|
|                                       | 2004            | 2003   |
|                                       | Rupees          | Rupees |
| Purchases from holding company        | 19.66           | 4.14   |
| Amount Receivable ( as at 31/03/2004) | 0.89            | Nil    |

| 7. CONTINGENT LIABILITIES                                                         | (Rs. in Crores) |        |
|-----------------------------------------------------------------------------------|-----------------|--------|
|                                                                                   | 2004            | 2003   |
|                                                                                   | Rupees          | Rupees |
| There are contingent liabilities outstanding against the company in the form of : | —               | 0.84   |

| 8. HOLDING ULTIMATE & HOLDING COMPANY | (Rs. in Crores) |        |
|---------------------------------------|-----------------|--------|
|                                       | 2004            | 2003   |
|                                       | Rupees          | Rupees |
| Letters of credits                    | —               | 0.84   |

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

| 9. COMPARATIVE FIGURES                                                                                                                                                   | (Rs. in Crores) |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------|
|                                                                                                                                                                          | 2004            | 2003   |
|                                                                                                                                                                          | Rupees          | Rupees |
| Certain comparative figures have been reclassified to conform with current year's presentation and/or changes and updates in the Singapore Financial Reporting Standard. | —               | —      |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2004

| Sr. No                                                           | PARTICULARS                                                |  | YEAR 2003-04 |       |
|------------------------------------------------------------------|------------------------------------------------------------|--|--------------|-------|
|                                                                  |                                                            |  | RS.          | RS.   |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:-</b>                  |                                                            |  |              |       |
| NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR  |                                                            |  |              | 0.65  |
|                                                                  | Depreciation                                               |  | 0.01         |       |
|                                                                  | Interest Paid                                              |  | 0.19         |       |
|                                                                  | Interest Received                                          |  | -0.01        |       |
|                                                                  |                                                            |  |              | 0.19  |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES, ADJUSTMENTS FOR |                                                            |  |              | 0.84  |
|                                                                  | Trade and other Receivables                                |  | -0.88        |       |
|                                                                  | Inventories                                                |  | 0.26         |       |
|                                                                  | Trade Payables                                             |  | 0.13         |       |
|                                                                  |                                                            |  |              | -0.49 |
| <b>CASH GENERATED FROM OPERATIONS</b>                            |                                                            |  |              | 0.35  |
| <b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>                      |                                                            |  |              |       |
| EXTRAORDINARY ITEMS :                                            |                                                            |  |              |       |
|                                                                  | Dividend & Tax on Distribution                             |  |              | 0     |
|                                                                  | Tax Provision                                              |  |              | 0     |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                        |                                                            |  |              | 0.35  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                                                            |  |              |       |
|                                                                  | Interest Received                                          |  | 0.01         |       |
| <b>NET CASH GENERATED IN INVESTING ACTIVITIES</b>                |                                                            |  |              | 0.01  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                                                            |  |              |       |
|                                                                  | Interest Paid                                              |  | -0.19        |       |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                     |                                                            |  |              | -0.19 |
| <b>D. OTHERS</b>                                                 |                                                            |  |              |       |
|                                                                  | Adjustments - Reserves                                     |  |              | -0.06 |
| <b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>               |                                                            |  |              | 0.11  |
|                                                                  | Cash & Cash Equivalents as at (Opening Balance) 01/04/2003 |  | 0.45         |       |
|                                                                  | Cash & Cash Equivalents as at (Closing Balance) 31/03/2004 |  | 0.56         | 0.11  |

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

2 Cash and cash equivalents include : **As at 31.03.2004**

|                                         |      |
|-----------------------------------------|------|
| Cash in hand(including cheques on hand) | 0    |
| With Scheduled Banks on :               |      |
| Current Accounts                        | 0.13 |
| Short term Deposits                     | 0.43 |
|                                         | 0.56 |

3 As this is the first year for which, foreign subsidiary accounts are presented in Indian Rupees, previous year figures are not complied.

For KANTILAL PATEL & CO  
CHARTERED ACCOUNTANTS

ASHWIN AMIN  
PARTNER  
MEMBERSHIP NO. : 35070

Dated: 31st July,2004  
Place:Ahmedabad

for and on behalf of Board  
VIJAYKUMAR GUPTA  
(DIRECTOR)

MANISH GUPTA  
(DIRECTOR)

Dated: 31st July,2004  
Place:Ahmedabad

This is the Cashflow Statement referred for and on behalf of Board to in our report of even date

For KANTILAL PATEL & CO  
CHARTERED ACCOUNTANTS

ASHWIN AMIN  
PARTNER  
MEMBERSHIP NO. : 35070

Dated: 31st July,2004  
Place:Ahmedabad

VIJAYKUMAR GUPTA  
(DIRECTOR)

MANISH GUPTA  
(DIRECTOR)

Dated: 31st July,2004  
Place:Ahmedabad

**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 Amubja Exports Ltd.

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

1 We have audited the attached Consolidated Balance Sheet of Gujarat Ambuja Exports Ltd. (the Company) and its subsidiary as at 31<sup>st</sup> March 2004, the Consolidated Profit & Loss and the consolidated Cash Flow statement for the year ended on that date.

These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statement are prepared, in all material respects in accordance with an identified financial reporting frameworks and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

3 We did not audit financial statements of a subsidiary, Gujarat Ambuja International Pte. Ltd., Singapore, whose financial statements reflect total assets of Rs.2,18,03,627/- as at 31<sup>st</sup> March,2004 and total revenues of Rs.29,27,30,153/- for the year ended on that date as considered in the consolidated financial statements. Those financial statements and other financial information of the subsidiary have been audited by other auditors whose report have been

furnished to us, and our opinion, insofar as it relates to the amounts included in respect of subsidiary, is based solely on the report of the other auditors.

4 We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.

5 On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid subsidiary, we are of the opinion that the said consolidated financial statements together with notes thereon, give true and fair view in conformity with then accounting principles generally accepted in India,

- a. In the case of Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31<sup>st</sup>, March, 2004.
- b. In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the company and its subsidiary for the year ended on that date

And

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

Place : Ahmedabad

For **KANTILAL PATEL & CO**

Date : 31<sup>st</sup> July, 2004

**Chartered Accountants**

**ASHWIN AMIN**

Partner

Membership No.: 35070

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2004**

[ Rupees in Crores ]

|                                              | SCHEDULE | AS AT      |                     |               |
|----------------------------------------------|----------|------------|---------------------|---------------|
|                                              |          | 31.03.2004 | AS AT<br>31.03.2003 |               |
|                                              |          | AMOUNT     | AMOUNT              | AMOUNT        |
| <b>(A) SOURCE OF FUNDS</b>                   |          |            |                     |               |
| <b>SHARE HOLDERS' FUND</b>                   |          |            |                     |               |
| Share Capital                                | A        | 27.86      |                     | 23.76         |
| Reserves & Surplus                           | B        | 184.83     |                     | 160.73        |
|                                              |          |            | 212.69              | 184.49        |
| <b>LOAN FUNDS</b>                            |          |            |                     |               |
| Secured Loans                                | C        | 203.58     |                     | 66.87         |
| Unsecured Loans                              | D        | 0.81       |                     | 0.29          |
|                                              |          |            | 204.39              | 67.16         |
| <b>DEFERRED TAX LIABILITY</b>                |          |            |                     |               |
| Deferred tax liability                       |          | 24.05      |                     | 26.40         |
| Deferred tax assets                          |          | 2.76       |                     | 10.72         |
|                                              |          |            | 21.29               | 15.68         |
| <b>TOTAL-</b>                                |          |            | <b>438.37</b>       | <b>267.33</b> |
| <b>(B) APPLICATION OF FUNDS</b>              |          |            |                     |               |
| <b>FIXED ASSETS</b>                          |          |            |                     |               |
| Gross Block                                  | E        | 223.31     |                     | 236.98        |
| Less : Depreciation                          |          | 93.74      |                     | 73.03         |
| Net Block                                    |          | 129.57     |                     | 163.95        |
| Add : Capital work in Progress               |          | 14.67      |                     | 0.15          |
|                                              |          |            | 144.24              | 164.10        |
| <b>INVESTMENTS</b>                           |          |            |                     |               |
|                                              | F        |            | 5.82                | 1.08          |
| <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>  |          |            |                     |               |
| Inventories                                  | G        | 213.59     |                     | 76.74         |
| Sundry Debtors                               |          | 77.37      |                     | 39.29         |
| Cash & Bank Balances                         |          | 13.93      |                     | 4.36          |
| Loans & Advances                             |          | 11.27      |                     | 4.57          |
|                                              |          | 316.16     |                     | 124.96        |
| Less : Current Liabilities                   | H        | 22.49      |                     | 21.32         |
| Provisions                                   | I        | 5.36       |                     | 1.49          |
|                                              |          | 27.85      |                     | 22.81         |
| <b>Net Current Assets</b>                    |          |            | <b>288.31</b>       | <b>102.15</b> |
| <b>MISCELLANEOUS EXPENSITURE</b>             |          |            |                     |               |
| ( To the extent not written off on adjusted) |          |            | NIL                 | NIL           |
| <b>TOTAL-</b>                                |          |            | <b>438.37</b>       | <b>267.33</b> |
| <b>Significant Accounting Policies</b>       | R        |            |                     |               |
| <b>Notes on Accounts</b>                     | S        |            |                     |               |

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

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

**ASHWIN AMIN**  
PARTNER  
MEMBERSHIP NO. : 35070  
PLACE : AHMEDABAD  
Date : 31st July, 2004

**for and on behalf of the Board**

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

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

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

PLACE: AHMEDABAD  
Date : 31st July, 2004



**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2004**

[ Rupees in Crores ]

|                                                                                                                   | SCHEDULE | FOR THE<br>YEAR ENDED<br>31.03.2004<br>AMOUNT | FOR THE<br>YEAR ENDED<br>31.03.2003<br>AMOUNT |
|-------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------|-----------------------------------------------|
| <b>A. INCOME</b>                                                                                                  |          |                                               |                                               |
| Sales                                                                                                             | J        | 1095.25                                       | 653.39                                        |
| Less : Excise Duty                                                                                                |          | 9.70                                          | 7.85                                          |
| Net Sales                                                                                                         |          | 1085.55                                       | 645.54                                        |
| Other Income                                                                                                      | K        | 0.99                                          | 1.94                                          |
| <b>TOTAL - "A"</b>                                                                                                |          | <b>1086.54</b>                                | <b>647.48</b>                                 |
| <b>B. EXPENDITURE</b>                                                                                             |          |                                               |                                               |
| Cost of Goods Sold                                                                                                | L        | 912.73                                        | 521.25                                        |
| Manufacturing Expenses                                                                                            | M        | 44.40                                         | 35.58                                         |
| Employees' Cost                                                                                                   | N        | 14.53                                         | 12.68                                         |
| Administrative Expenses                                                                                           | O        | 6.23                                          | 4.83                                          |
| Sales Expenses                                                                                                    | P        | 51.18                                         | 36.85                                         |
| Loss on Sale of Fixed Assets                                                                                      |          | 0.04                                          | 0.01                                          |
| Finance & Other Charges                                                                                           | Q        | 5.29                                          | 5.78                                          |
| Depreciation                                                                                                      |          | 19.75                                         | 16.39                                         |
| <b>TOTAL - "B"</b>                                                                                                |          | <b>1054.15</b>                                | <b>633.37</b>                                 |
| Profit before Tax (A-B)                                                                                           |          | 32.39                                         | 14.11                                         |
| Provision for Taxation                                                                                            |          |                                               |                                               |
| - Current tax                                                                                                     |          | 1.51                                          | 0.50                                          |
| - Deferred tax                                                                                                    |          | 5.61                                          | 1.93                                          |
| Profit after Tax                                                                                                  |          | 25.27                                         | 11.68                                         |
| Add: Balance of Profit from Previous Year                                                                         |          | 23.75                                         | 19.34                                         |
| Add: Exchange Reserve                                                                                             |          | 0.10                                          | 0.00                                          |
| Add: Balance of Profit & Loss Account in Pursuance of<br>Scheme of Amalgamation (refer Note No 3 of Schedule -S ) |          | 0.02                                          | 0.00                                          |
| Profit available for appropriation                                                                                |          | 49.14                                         | 31.02                                         |
| <b>APPROPRIATION</b>                                                                                              |          |                                               |                                               |
| Transferred to Capital Redemption Reserve                                                                         |          | 0.00                                          | 6.22                                          |
| Proposed Dividend ( 10% ) (P.Y. 6% Interim dividend paid)                                                         |          | 2.79                                          | 1.05                                          |
| Provision for Dividend Distribution Tax.                                                                          |          | 0.35                                          | 0.00                                          |
| Balance carried to Balance Sheet                                                                                  |          | 46.00                                         | 23.75                                         |
| <b>TOTAL</b>                                                                                                      |          | <b>49.14</b>                                  | <b>31.02</b>                                  |
| Significant Accounting Policies                                                                                   | R        |                                               |                                               |
| Notes on Accounts                                                                                                 | S        |                                               |                                               |
| Earning per Equity Share of Rs.10/- each (Basic) (In Rs.)                                                         |          | 9.068                                         | 4.916                                         |
| Earning per Equity Share of Rs.10/- each (Diluted) (In Rs.)                                                       |          | 9.068                                         | 4.916                                         |

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

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

**ASHWIN AMIN**  
**PARTNER**  
**MEMBERSHIP NO. : 35070**  
PLACE : AHMEDABAD  
Date : 31st July, 2004

**for and on behalf of the Board**

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

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

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

PLACE: AHMEDABAD  
Date : 31st July, 2004

## SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2004

Rs. in Crores

|                                                                                                                                                                         | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |                                                                                                                                                                                                                                                   | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "A" SHARE CAPITAL</b>                                                                                                                                       |                     |                     | <b>SCHEDULE "B" RESERVES &amp; SURPLUS (Cont.)</b>                                                                                                                                                                                                |                     |                     |
| AUTHORISED                                                                                                                                                              |                     |                     | Exchange Reserve                                                                                                                                                                                                                                  |                     |                     |
| 30000000 (P.Y.30000000) Equity shares of Rs.10/- each.                                                                                                                  | 30.00               | 30.00               | As per last account                                                                                                                                                                                                                               | 0.15                | 0.04                |
|                                                                                                                                                                         | 30.00               | 30.00               | Add : Addition during the year                                                                                                                                                                                                                    | 0.67                | 0.10                |
| <b>Issued,Subscribed and Paid Up Capital :</b>                                                                                                                          |                     |                     |                                                                                                                                                                                                                                                   | 0.82                | 0.14                |
| 27863698 (P.Y.23765698) Equity Shares of Rs 10/- each fully paid                                                                                                        | 27.86               | 23.76               | Securities Premium Account                                                                                                                                                                                                                        |                     |                     |
| a. Includes 6300000 (P.Y.6300000) Equity shares of Rs.10 each issued at a premium of Rs.1 per share on conversion of Optionally Convertible Unsecured debentures        |                     |                     | Opening Balance                                                                                                                                                                                                                                   | 0.63                | 0.63                |
| b. Includes 16437782 (P.Y.16437782) Equity shares of Rs.10 each fully paid allotted on 30.4.99 in exchange of shares on amalgamation for consideration other than cash. |                     |                     | Add : On Amalgamation (refer note 3 of Schedule - S )                                                                                                                                                                                             | 0.26                | 0.00                |
| c. 6217084 (P.Y.6217084) Equity shares of Rs.10 each reduced as per Scheme of arrangement approved by Honourable Gujarat High Court order dated 17th February 2003.     |                     |                     |                                                                                                                                                                                                                                                   | 0.89                | 0.63                |
| d. Includes 4098000 (P.Y.NIL) Equity Shares of Rs.10 each fully paid, allotted on 31.1.2004 in exchange of shares on amalgamation for consideration other than cash.    |                     |                     | Capital Redemption Reserve                                                                                                                                                                                                                        |                     |                     |
|                                                                                                                                                                         | 27.86               | 23.76               | Opening Balance                                                                                                                                                                                                                                   | 6.22                | 0.00                |
|                                                                                                                                                                         |                     |                     | Add : Transferred from Profit & Loss Account                                                                                                                                                                                                      | 0.00                | 6.22                |
|                                                                                                                                                                         |                     |                     |                                                                                                                                                                                                                                                   | 6.22                | 6.22                |
|                                                                                                                                                                         |                     |                     | Profit and Loss Account                                                                                                                                                                                                                           | 46.00               | 23.75               |
|                                                                                                                                                                         |                     |                     |                                                                                                                                                                                                                                                   | 184.83              | 160.73              |
| <b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>                                                                                                                              |                     |                     | <b>SCHEDULE "C" SECURED LOANS</b>                                                                                                                                                                                                                 |                     |                     |
| General Reserve :                                                                                                                                                       |                     |                     | Term Loans :                                                                                                                                                                                                                                      |                     |                     |
| Opening Balance                                                                                                                                                         | 129.63              | 129.63              | Secured by 100% cash collateral security (P.Y. Secured by a first charge / mortgage on all movable fixed assets (other than at Jaipur) and personal guarantee of three promoter Directors. (Repayable within 1 year Rs. Nil P.Y Rs.1,00,00,000/-) |                     |                     |
| Add : On Amalgamation (refer note 3 of Schedule - S )                                                                                                                   | 0.39                | 0.00                | - From Banks                                                                                                                                                                                                                                      |                     |                     |
|                                                                                                                                                                         | 130.02              | 129.63              |                                                                                                                                                                                                                                                   | 0.10                | 3.23                |
| Capital Subsidy :                                                                                                                                                       |                     |                     | - Interest accrued and due on above                                                                                                                                                                                                               |                     |                     |
| Opening Balance                                                                                                                                                         | 0.15                | 0.15                |                                                                                                                                                                                                                                                   | 0.01                | 0.00                |
| Add : Additions during the year (refer accounting policy G of Schedule R)                                                                                               | 0.50                | 0.00                | Other Loans (Working Capital) :                                                                                                                                                                                                                   |                     |                     |
|                                                                                                                                                                         | 0.65                | 0.15                | Secured by a hypothecation on current assets and Registered Mortgage on certain movable/ immovable fixed assets (other than at Jaipur) and personal guarantee of three Promoter Directors & against lien on Fixed Deposits.                       |                     |                     |
| Amalgamation Reserve Account                                                                                                                                            |                     |                     | - From Banks                                                                                                                                                                                                                                      |                     |                     |
| Opening Balance                                                                                                                                                         | 0.00                | 0.00                |                                                                                                                                                                                                                                                   | 203.47              | 63.64               |
| Add : On Amalgamation (refer note 3 of Schedule - S )                                                                                                                   | 0.02                | 0.00                |                                                                                                                                                                                                                                                   | 203.58              | 66.87               |
|                                                                                                                                                                         | 0.02                | 0.00                | <b>SCHEDULE "D" UNSECURED LOANS</b>                                                                                                                                                                                                               |                     |                     |
| Capital Reserve                                                                                                                                                         |                     |                     | Dealers' & Distributors' Deposits                                                                                                                                                                                                                 |                     |                     |
| As per last account                                                                                                                                                     | 0.21                | 0.21                |                                                                                                                                                                                                                                                   | 0.81                | 0.29                |
|                                                                                                                                                                         | 0.21                | 0.21                |                                                                                                                                                                                                                                                   | 0.81                | 0.29                |

## SCHEDULE "E" FIXED ASSETS

| Sr. No. | Particulars                   | Gross Block    |                              |                                         |                      | Depreciation   |                                 |              |                            |                      | Net Block      |                |
|---------|-------------------------------|----------------|------------------------------|-----------------------------------------|----------------------|----------------|---------------------------------|--------------|----------------------------|----------------------|----------------|----------------|
|         |                               | As At 01.04.03 | Assets added on Amalgamation | Additions/ (Deductions) during the year | Total as at 31.03.04 | As At 01.04.03 | On Assets added on Amalgamation | For the year | Deductions during the year | Total as at 31.03.04 | As At 31.03.04 | As At 31.03.03 |
| 1       | Land & Land Development       | 20.91          | 0.01                         | 0.00 (18.00)                            | 2.92                 | 0.00           | 0.00                            | 0.00         | 0.00                       | 0.00                 | 2.92           | 20.91          |
| 2       | Factory Building              | 42.73          | 0.68                         | 1.06                                    | 44.47                | 11.76          | 0.21                            | 2.71         | 0.00                       | 14.68                | 29.79          | 30.97          |
| 3       | Non-Factory Building & Colony | 13.23          | 0.00                         | 0.24 (7.50)                             | 5.97                 | 1.12           | 0.00                            | 0.24         | 0.00                       | 1.36                 | 4.61           | 12.11          |
| 4       | Plant & Machinery             | 132.99         | 1.43                         | 6.97 (0.15)                             | 141.24               | 49.21          | 0.66                            | 13.99        | 0.09                       | 63.77                | 77.47          | 83.78          |
| 5       | Electric Supply System        | 5.88           | 0.06                         | 0.00                                    | 5.94                 | 2.71           | 0.03                            | 0.64         | 0.00                       | 3.38                 | 2.56           | 3.17           |
| 6       | Vehicles                      | 2.51           | 0.00                         | 0.38                                    | 2.89                 | 1.13           | 0.00                            | 0.27         | 0.00                       | 1.40                 | 1.49           | 1.38           |
| 7       | Furniture & Fixtures          | 1.44           | 0.00                         | 0.16                                    | 1.60                 | 0.79           | 0.00                            | 0.09         | 0.00                       | 0.88                 | 0.72           | 0.65           |
| 8       | Office Equipments             | 1.23           | 0.01                         | 0.48                                    | 1.72                 | 0.46           | 0.00                            | 0.14         | 0.00                       | 0.60                 | 1.12           | 0.77           |
| 9       | D.G.Set                       | 14.38          | 0.00                         | 0.00                                    | 14.38                | 5.33           | 0.00                            | 1.49         | 0.00                       | 6.82                 | 7.56           | 9.05           |
| 10      | Temple                        | 0.19           | 0.00                         | 0.00                                    | 0.19                 | 0.02           | 0.00                            | 0.00         | 0.00                       | 0.02                 | 0.17           | 0.17           |
| 11      | Factory Road                  | 0.40           | 0.00                         | 0.00                                    | 0.40                 | 0.04           | 0.00                            | 0.01         | 0.00                       | 0.05                 | 0.35           | 0.36           |
| 12      | Effluent Treatment Plant      | 1.09           | 0.00                         | 0.00                                    | 1.09                 | 0.46           | 0.00                            | 0.12         | 0.00                       | 0.58                 | 0.51           | 0.63           |
| 13      | Trade Mark                    | 0.00           | 0.50                         | 0.00                                    | 0.50                 | 0.00           | 0.15                            | 0.05         | 0.00                       | 0.20                 | 0.30           | 0.00           |
|         | <b>TOTAL :</b>                | <b>236.98</b>  | <b>2.69</b>                  | <b>(16.36)</b>                          | <b>223.31</b>        | <b>73.03</b>   | <b>1.05</b>                     | <b>19.75</b> | <b>0.09</b>                | <b>93.74</b>         | <b>129.57</b>  | <b>163.95</b>  |
|         | CAPITAL WORK IN PROGRESS      | 0.00           | 0.00                         | 12.37                                   | 12.37                | 0.00           | 0.00                            | 0.00         | 0.00                       | 0.00                 | 12.37          | 0.00           |
|         | CAPITAL ADVANCE               | 0.15           | 0.00                         | 2.15                                    | 2.30                 | 0.00           | 0.00                            | 0.00         | 0.00                       | 0.00                 | 2.30           | 0.15           |
|         | <b>TOTAL :</b>                | <b>237.13</b>  | <b>2.69</b>                  | <b>(1.84)</b>                           | <b>237.98</b>        | <b>73.05</b>   | <b>1.05</b>                     | <b>19.75</b> | <b>0.09</b>                | <b>93.74</b>         | <b>144.24</b>  | <b>164.10</b>  |
|         | Previous year                 | 229.96         | 0.00                         | 7.02                                    | 236.98               | 56.66          | 0.00                            | 16.39        | 0.02                       | 73.03                | 163.95         | 173.30         |

|                                                                                                                                | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "F"</b>                                                                                                            |                     |                     |
| <b>INVESTMENTS(AT COST)(LONG TERM INVESTMENTS)<br/>QUOTED [ IN EQUITY SHARES ]</b>                                             |                     |                     |
| Nil [P.Y. 42000] Equity shares Jupiter Bio-Tech Ltd of Rs.10/- each fully paid up.[Market value Rs.Nil ] (P.Y.Rs.161700/-)     | 0.00                | 0.02                |
| 1[P.Y. 1] Equity share of Adani Exports Ltd.of Rs.10/- each fully paid up.[Market value Rs.400/-] (P.Y.Rs.123/-)               | 0.00                | 0.00                |
| 25[P.Y. 25] Equity shares of Arvind Mills Ltd.of Rs.10/- each fully paid up.[Market value Rs.1139/-] (P.Y.Rs.464/-)            | 0.00                | 0.00                |
| 5[P.Y. 5] Equity shares of Maral Overseas Ltd.of Rs.10/- each fully paid up.[Market value Rs.78/-] (P.Y.Rs. 64/-)              | 0.00                | 0.00                |
| 100[P.Y. 100] Equity shares of Riddhi Siddhi Starch Ltd.of Rs.10/- each fully paid up.[Market value Rs.950/-] (P.Y.Rs. 1085/-) | 0.00                | 0.00                |
| <b>UNQUOTED ( EQUITY SHARES)</b>                                                                                               |                     |                     |
| 10000[P.Y. NIL] Equity shares of Kalupur Com.                                                                                  | 0.02                | 0.00                |
| Co-Op Banks Ltd.of Rs 25/- each fully paid up.                                                                                 |                     |                     |
| <b>Others :</b>                                                                                                                |                     |                     |
| 724324 [P.Y.356000] Equity shares of Jupiter Corporate Services Ltd. Of Rs 10/- each fully paid up.                            | 3.47                | 1.05                |
| <b>Government Security :</b>                                                                                                   |                     |                     |
| National Saving Certificates                                                                                                   | 0.02                | 0.01                |
| [Lodged with Sales tax & Other Government authorities ]                                                                        |                     |                     |
| Share Application Money with Reliance Exports Pte Ltd, Srilanka, Pending allotment                                             | 2.31                | 0.00                |
|                                                                                                                                | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
| <b>AGGREGATE COST OF QUOTED INVESTMENTS (Rs.)</b>                                                                              | <b>206</b>          | <b>2326</b>         |
| <b>MARKET VALUE OF QUOTED INVESTMENTS (Rs.)</b>                                                                                | <b>257</b>          | <b>1636</b>         |
| <b>AGGREGATE COST OF UNQUOTED INVESTMENTS (Rs.)</b>                                                                            | <b>5820978</b>      | <b>10770456</b>     |
| TOTAL COST (Rs.)                                                                                                               | 58204978            | 10770456            |
|                                                                                                                                | <b>5.82</b>         | <b>1.08</b>         |
| <b>SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES</b>                                                                         |                     |                     |
| <b>Current Assets</b>                                                                                                          |                     |                     |
| <b>Inventories</b>                                                                                                             |                     |                     |
| (As taken,Valued & Certified by the management)                                                                                |                     |                     |
| Finished Goods                                                                                                                 | 74.29               | 32.70               |
| Work in Process                                                                                                                | 2.01                | 1.55                |
| Raw Materials                                                                                                                  | 128.54              | 35.02               |
| Packing Materials                                                                                                              | 1.09                | 1.13                |
| Stores & Spares,Coal,Diesel                                                                                                    | 7.66                | 6.34                |
|                                                                                                                                | <b>213.59</b>       | <b>76.74</b>        |

|                                                                                                                                               | AS AT<br>31.03.2004 | AS AT<br>31.03.2003 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE "G" CURRENT ASSETS, LOANS AND ADVANCES<br/>(Contd.)</b>                                                                           |                     |                     |
| <b>Sundry Debtors</b>                                                                                                                         |                     |                     |
| (Unsecured,Considered Good)                                                                                                                   |                     |                     |
| Outstanding for a period exceeding six months                                                                                                 | 0.00                | 0.08                |
| Others                                                                                                                                        | 77.37               | 39.21               |
|                                                                                                                                               | <b>77.37</b>        | <b>39.29</b>        |
| <b>Cash &amp; Bank Balances</b>                                                                                                               |                     |                     |
| Cash on Hand                                                                                                                                  | 0.25                | 0.11                |
| Balance with Banks                                                                                                                            |                     |                     |
| With Scheduled Banks                                                                                                                          |                     |                     |
| (a) on Current account                                                                                                                        | 7.95                | 0.83                |
| (b) on Fixed Deposit account                                                                                                                  | 5.73                | 3.42                |
| With Other Banks                                                                                                                              |                     |                     |
| (a) on Current account                                                                                                                        |                     |                     |
| Shri Kadi Nagrik Sahakari Bank Ltd [Rs 21069/- (P.Y. Rs 21069/-) Maximum balance outstanding during the year Rs. 1761179/- (P.Y Rs. 21069/-)] |                     |                     |
|                                                                                                                                               | <b>13.93</b>        | <b>4.36</b>         |
| <b>Loans &amp; Advance (Unsecured,Considered Good)</b>                                                                                        |                     |                     |
| Advances recoverable in cash or in kind or for value to be received                                                                           | 8.45                | 2.94                |
| Advances for Goods & Expenses                                                                                                                 | 1.57                | 1.28                |
| Excise Balances                                                                                                                               | 1.25                | 0.18                |
| Tax Balances:                                                                                                                                 |                     |                     |
| Current Tax - Advance Tax Less Provisions                                                                                                     | 0.00                | 0.17                |
|                                                                                                                                               | <b>11.27</b>        | <b>4.57</b>         |
| <b>SCHEDULE "H" CURRENT LIABILITIES</b>                                                                                                       |                     |                     |
| Creditors for Capital goods                                                                                                                   | 0.99                | 0.03                |
| Creditors for Goods & Expenses & other Liabilities                                                                                            | 18.85               | 20.28               |
| Bank Overdraft as per Books                                                                                                                   | 2.37                | 0.61                |
| Unclaimed Dividend                                                                                                                            | 0.28                | 0.40                |
|                                                                                                                                               | <b>22.49</b>        | <b>21.32</b>        |
| <b>SCHEDULE "I" PROVISIONS</b>                                                                                                                |                     |                     |
| Proposed Dividend (Net of Interim Dividend )                                                                                                  | 3.13                | 0.00                |
| (Incl. Div. Distribution Tax Rs. 3482963/-P.Y Rs. Nil )                                                                                       |                     |                     |
| Tax Bal.: Current Tax - Provisions Less Advance Tax                                                                                           | 0.43                | 0.00                |
| Provision for Retirement Benefits :                                                                                                           |                     |                     |
| Gratuity                                                                                                                                      | 1.44                | 1.20                |
| Leave Encashment                                                                                                                              | 0.36                | 0.29                |
|                                                                                                                                               | <b>5.36</b>         | <b>1.49</b>         |

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004** Rs. in Crores

|                                                                                                        | YR. ENDED<br>31.03.2004 | YR. ENDED<br>31.03.2003 |
|--------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>SCHEDULE "J" SALES</b>                                                                              |                         |                         |
| Export Sales [FOB Value Rs.5134972220 (P.Y.Rs 2508101681)]                                             | 529.61                  | 265.46                  |
| Domestic Sales                                                                                         | 565.64                  | 387.93                  |
|                                                                                                        | <b>1095.25</b>          | <b>653.39</b>           |
| <b>SCHEDULE "K" OTHER INCOME</b>                                                                       |                         |                         |
| Dividend {(Gross Rs 52601/- (TDS Rs.Nil )} {(P.Y. Rs 21821/- (TDS Rs.2428/-)}                          | 0.01                    | 0.00                    |
| Miscellaneous Income                                                                                   | 0.33                    | 0.15                    |
| Profit on Sale of Investments                                                                          | 0.47                    | 0.01                    |
| Foreign Exchange Fluctuation (Net)                                                                     | 0.00                    | 0.25                    |
| Forex Swapping Income                                                                                  | 0.00                    | 1.46                    |
| Export Incentives                                                                                      | 0.18                    | 0.07                    |
|                                                                                                        | <b>0.99</b>             | <b>1.94</b>             |
| <b>SCHEDULE "L" COST OF GOODS SOLD</b>                                                                 |                         |                         |
| Opening Stock                                                                                          |                         |                         |
| Raw Materials                                                                                          | 35.03                   | 21.52                   |
| Work-in-Process                                                                                        | 1.55                    | 1.47                    |
| Finished Goods                                                                                         | 32.68                   | 19.67                   |
| Packing Material                                                                                       | 1.13                    | 1.59                    |
| Add : Material Purchased / acquired ( in pursuance of scheme of Amalgamation Rs. 21778855/- P.Y. Nil ) | 1053.38                 | 554.04                  |
|                                                                                                        | <b>1123.77</b>          | <b>598.29</b>           |

|                                                | YR. ENDED<br>31.03.2004 | YR. ENDED<br>31.03.2003 |
|------------------------------------------------|-------------------------|-------------------------|
| <b>SCHEDULE "L" COST OF GOODS SOLD (Cont.)</b> |                         |                         |
| Less : Sale of Raw Materials                   | 5.11                    | 6.64                    |
|                                                | <b>1118.66</b>          | <b>591.65</b>           |
| Less : Closing Stock                           |                         |                         |
| Raw Material                                   | 128.54                  | 35.03                   |
| Work-in-Process                                | 2.01                    | 1.55                    |
| Finished Goods                                 | 74.29                   | 32.69                   |
| Packing Material                               | 1.09                    | 1.13                    |
|                                                | <b>205.93</b>           | <b>70.40</b>            |
| <b>Total Cost of Goods Sold</b>                | <b>912.73</b>           | <b>521.25</b>           |
| <b>SCHEDULE "M" MANUFACTURING EXPENDITURE</b>  |                         |                         |
| Stores & Spares Consumed                       | 6.85                    | 5.15                    |
| Power,Electricity,Diesel,LDO & Fuel Expenses   | 22.67                   | 19.42                   |
| Coal ,Castor DOC & Fuel Consumed               | 6.79                    | 4.92                    |
| Labour Charges                                 | 4.06                    | 2.64                    |
| Repairs : Plant & Machinery                    | 0.90                    | 1.08                    |
| Building                                       | 1.12                    | 0.64                    |
| Others                                         | 0.19                    | 0.22                    |
| Insurance [Net of Claims]                      | 0.83                    | 0.31                    |
| Other Manufacturing Expenses                   | 0.99                    | 1.20                    |
|                                                | <b>44.40</b>            | <b>35.58</b>            |

|                                                                                                    | YR. ENDED<br>31.03.2004 | YR. ENDED<br>31.03.2003 |
|----------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>SCHEDULE "N" EMPLOYEES COST</b>                                                                 |                         |                         |
| Salary,Wages & Bonus                                                                               | 12.90                   | 10.91                   |
| Gratuity                                                                                           | 0.29                    | 0.54                    |
| Contribution to Provident Fund & Other Funds                                                       | 0.78                    | 0.71                    |
| Employees Welfare                                                                                  | 0.56                    | 0.52                    |
|                                                                                                    | <b>14.53</b>            | <b>12.68</b>            |
| <b>SCHEDULE "O" ADMINISTRATIVE EXPENSES</b>                                                        |                         |                         |
| Conveyance & Travelling Expenses [Including<br>Directors Travelling Rs3298341/- (P.Y.Rs 3727831/-) | 1.03                    | 0.88                    |
| Electric Expenses                                                                                  | 0.39                    | 0.37                    |
| Vehicle Maintenance Expenses                                                                       | 0.46                    | 0.41                    |
| Insurance Expenses                                                                                 | 0.12                    | 0.04                    |
| Printing, Stationery, Postage & Telephone                                                          | 1.31                    | 1.24                    |
| Legal & Professional Expenses                                                                      | 1.11                    | 0.81                    |
| Rent                                                                                               | 0.29                    | 0.08                    |
| Rates & Taxes                                                                                      | 0.11                    | 0.05                    |
| Donations                                                                                          | 0.05                    | 0.03                    |
| Payment to Auditors :                                                                              |                         |                         |
| For Audit                                                                                          | 0.06                    | 0.05                    |
| For Tax Audit                                                                                      | 0.02                    | 0.01                    |
| For Certification                                                                                  | 0.01                    | 0.00                    |
| General Administrative Charges                                                                     | 1.27                    | 0.86                    |
|                                                                                                    | <b>6.23</b>             | <b>4.83</b>             |
| <b>SCHEDULE "P" SALES EXPENSES</b>                                                                 |                         |                         |
| <b>For Domestic Sales :</b>                                                                        |                         |                         |
| Sales Promotion Expenses                                                                           | 0.38                    | 0.18                    |
| Commission                                                                                         | 1.07                    | 1.02                    |
| Carriage Outward & Loading Unloading, Others                                                       | 2.10                    | 0.49                    |
| Bad Debts Written Off                                                                              | 0.00                    | 0.07                    |
| Sales Tax,C.S.T & Octroi                                                                           | 4.77                    | 2.12                    |
|                                                                                                    | <b>8.32</b>             | <b>3.88</b>             |
| <b>For Export Sales</b>                                                                            |                         |                         |
| Exports Sales Expenses                                                                             | 42.86                   | 32.96                   |
| Insurance                                                                                          | 0.00                    | 0.01                    |
|                                                                                                    | <b>42.86</b>            | <b>32.97</b>            |
|                                                                                                    | <b>51.18</b>            | <b>36.85</b>            |
| <b>SCHEDULE "Q" FINANCE &amp; OTHER CHARGES</b>                                                    |                         |                         |
| Interest on Fixed Loans                                                                            | 0.05                    | 0.22                    |
| Interest on Working Capital Loans                                                                  | 5.07                    | 4.47                    |
| Interest on OCU Debentures/Deposits                                                                | 0.00                    | 0.79                    |
| Other Interest                                                                                     | 0.05                    | 0.61                    |
| Bank and Other Financial Charges                                                                   | 4.82                    | 1.76                    |
| Swapping , Forex & Other Expenses                                                                  | 0.14                    | 0.00                    |
|                                                                                                    | <b>10.13</b>            | <b>7.85</b>             |
| <b>LESS : INCOME</b>                                                                               |                         |                         |
| Interest on Bank Deposits (Gross)<br>(TDS: Rs 7577903 /-(P.Y.TDS Rs 905571/-)                      | 4.82                    | 0.54                    |
| Interest on Others (Gross)<br>(TDS Rs Nil (P.Y.TDS Rs 319544/-)                                    | 0.02                    | 1.53                    |
|                                                                                                    | <b>4.84</b>             | <b>2.07</b>             |
| <b>Net Expenditure</b>                                                                             | <b>5.29</b>             | <b>5.78</b>             |

**SCHEDULE "R"****NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES :****1. Basis of Accounting :**

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

**2. Principles of consolidation :**

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

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

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

The excess of Company's portion of equity and reserve of the subsidiary company as at the time of its investment is treated as capital reserve.

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

| Name of the Company                  | Country of Incorporation | % Voting power held as at 31st March, 2004 | Reporting Date |
|--------------------------------------|--------------------------|--------------------------------------------|----------------|
| Gujarat Ambuja International Pte Ltd | Singapore                | 100%                                       | 31.03.2004     |

Note : There is no change in above details since the reporting date 31.03.2004

**4. Exchange adjustments :**

In case of GAIPL, 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. Resultant excess/ shortfall, arising out of elimination process in consolidation has been disclosed as exchange rate difference in reserves/surplus.

**5. Other significant Accounting Policies :**

These are set out in the notes to accounts under "Statement of Accounting Policies" for financial statements of Gujarat Ambuja Exports Ltd, the holding Company And Gujarat Ambuja International Pte. Ltd, the wholly owned Subsidiary Company.

**SCHEDULE "S" NOTES ON ACCOUNTS :** [RS.IN CRORES]**1. Contingent liabilities not provided for in respect of :**

| PARTICULARS                                                                                                                   | 2003-04 | 2002-03 |
|-------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| (a) Claims against the Company /disputed liabilities not acknowledge as debts                                                 | 7.52    | 20.96   |
| (b) Disputed Income Tax ,Excise,Sales Tax, Motor Spirit Tax                                                                   | 0.73    | 0.49    |
| (c) Esimated Amount of Contract Pending execution on Capital Account [Net of Advances of Rs 0.15 Crores (P.Y.Rs 0.79 Crores)] | 7.90    | 0.57    |
| (d) Letter of Credit & Bank Guarantee [Net of Margin Money Rs 0.56 Crores (P.Y.Rs 3.27 Crores) & discharged since then]       | 22.78   | 5.44    |
| (e) Corporate gurantee in favour of Bank on behalf of wholly owned subsidiary Gujarat Ambuja International Pte.Ltd            | 13.09   | 14.24   |

2. Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the schemes of amalgamation, such assets and liabilities remained included in the books of the company (GAEL) under the name of Gujarat Ambuja Proteins Ltd., Gujarat Ambuja Cotspin Ltd and Jupiter Biotech Limited ( Formally known as Gujarat Vita Pharma Limited).

3.a) In case of GAEL (Holding Company) Tax liability calculated U/S 115 JB of the Income Tax Act, 1961 is provided. Besides tax liability is provided in terms of AS 22.

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

| PARTICULARS                       | As At           | As At           |
|-----------------------------------|-----------------|-----------------|
|                                   | 31st March 2004 | 31st March 2003 |
| Deferred tax liabilities          |                 |                 |
| (i) Depreciation                  | 23.94           | 26.29           |
| (ii) Other Provisions             | 0.11            | 0.11            |
| <b>Total</b>                      | <b>24.05</b>    | <b>26.40</b>    |
| Deferred tax Assets               |                 |                 |
| (i) Provisions - 43 B items       | 1.59            | 0.23            |
| (ii) Unabsorbed Depreciation/Loss | 1.17            | 10.49           |
| <b>Total</b>                      | <b>2.76</b>     | <b>10.72</b>    |
| <b>Net Deferred tax liability</b> | <b>21.29</b>    | <b>15.68</b>    |

4. Sales includes realised gain of exchange of forward exchange contracts entered into primarily for hedging purpose Rs 10.09 Crores (net) (P.Y.Rs 5.98 Crores [net]).

5. The expenditure on account of exchange difference on outstanding forward exchange contracts to be recognized in the Profit and Loss Account of subsequent accounting period aggregate to Rs. Nil (P.Y.Rs. Nil)

6. Borrowing costs capitalised during the year: Rs.Nil (P.Y. Rs. Nil)

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

**8. Earning per Share (EPS) :**

| PARTICULARS                                    | 2003-04  | 2002-03  |
|------------------------------------------------|----------|----------|
| Net profit as per Profit & Loss Account        | 25.27    | 11.68    |
| No.of Equity Shares as at year end.            | 27863698 | 23765698 |
| No.of Equity Shares considered as denominator. | 27863698 | 23765698 |
| Earning per Share (Basic) (In Rs.)             | 9.068    | 4.916    |
| Earning per Share (Diluted) (In Rs.)           | 9.068    | 4.916    |

**9. Segment Information for the year ended 31st March,2004**

|                                                         | 2003-2004    |                  |               |               | 2002-2003    |                  |              |               |
|---------------------------------------------------------|--------------|------------------|---------------|---------------|--------------|------------------|--------------|---------------|
|                                                         | Cotton Yarn  | Agro Proce-ssing | Elimi-nation  | Total         | Cotton Yarn  | Agro Proce-ssing | Elimi-nation | Total         |
| <b>Revenue :</b>                                        |              |                  |               |               |              |                  |              |               |
| External Sales                                          | 140.29       | 954.96           |               | 1095.25       | 102.08       | 545.41           |              | 647.49        |
| <b>Result :</b>                                         |              |                  |               |               |              |                  |              |               |
| Segment Result                                          | 16.89        | 26.92            |               | 43.81         | 11.48        | 10.06            |              | 21.54         |
| Unallocated Corporate (Expenses/Income)                 |              |                  |               | -6.13         |              |                  |              | -1.65         |
| <b>Operating Profit</b>                                 |              |                  |               | <b>37.68</b>  |              |                  |              | <b>19.89</b>  |
| Interest Expenses                                       |              |                  |               | -5.29         |              |                  |              | -5.78         |
| Interest /Divi. Income                                  |              |                  |               | 0.00          |              |                  |              | 0.00          |
| Deferred Tax                                            |              |                  |               | -5.61         |              |                  |              | -1.93         |
| Current Tax                                             |              |                  |               | -1.51         |              |                  |              | -0.50         |
| <b>Net Profit</b>                                       |              |                  |               | <b>25.27</b>  |              |                  |              | <b>11.68</b>  |
| <b>Other Information</b>                                |              |                  |               |               |              |                  |              |               |
| Segment Assets                                          | 126.19       | 334.22           |               | 460.41        | 116.25       | 172.63           |              | 288.88        |
| Unallocated Corporate Assets                            |              |                  |               | 5.82          |              |                  |              | -1.26         |
| <b>Total Assets</b>                                     |              |                  |               | <b>466.23</b> |              |                  |              | <b>287.62</b> |
| Segment Liabilities                                     | 31.57        | 197.54           |               | 229.11        | 56.25        | 33.73            |              | 89.98         |
| Unallocated Corporate liabilities                       |              |                  |               | 24.42         |              |                  |              | 0.00          |
| <b>Total Liabilities</b>                                | <b>31.57</b> | <b>197.54</b>    | <b>0.00</b>   | <b>253.53</b> | <b>56.25</b> | <b>33.73</b>     | <b>0.00</b>  | <b>89.98</b>  |
| <b>Net Assets</b>                                       | <b>94.62</b> | <b>136.68</b>    | <b>-18.60</b> | <b>212.70</b> | <b>60.00</b> | <b>138.90</b>    | <b>1.26</b>  | <b>200.16</b> |
| Capital Expenditure (Net) Capitalised                   | 3.91         | 6.25             |               | 10.16         | 11.23        | 7.78             |              | 19.01         |
| Depreciation                                            | 9.90         | 9.85             |               | 19.75         | 9.29         | 7.10             |              | 16.39         |
| Non cash Expenses other than depreciation /amortisation | Nil          | Nil              |               | Nil           | Nil          | Nil              |              | Nil           |

**10. Related Party Disclosure:**

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

## (a) Name of Related Parties &amp; 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       |
| (3) Sulochana Gupta   | Relative                                   | Relative as wife of Mr. Vijaykumar Gupta & mother of Manish Gupta     |
| (4) Mohit Gupta       | Relative                                   | Relative as son of Mr. Vijaykumar Gupta & Brother of Mr. Manish Gupta |
| (5) P.G.Makhija       | Executive Director (Key Managerial Person) | Key Managerial Person                                                 |

## (b) Transactions during the year &amp; Balances outstanding as at the year end with the Related Parties:

| Transaction                                            | Total  | Enterprise significantly influenced by Key Managerial Person | Key Managerial Person | Relative of Key Managerial Person |
|--------------------------------------------------------|--------|--------------------------------------------------------------|-----------------------|-----------------------------------|
| (a) Sale of Goods                                      | --     | --                                                           |                       |                                   |
| P.Y.                                                   | (2.10) | (2.10)                                                       |                       |                                   |
| (b) Managerial Remuneration                            | 0.46   |                                                              | 0.32                  | 0.14                              |
| P.Y.                                                   | (0.32) |                                                              | (0.32)                | --                                |
| (c) Services : Sitting Fees (Rs 25000/-P.Y.Rs 12500/-) | 0.00   |                                                              |                       | 0.00                              |
| P.Y.                                                   | (Nil)  |                                                              |                       | (Nil)                             |
| (d) Dividend paid for the year 2001-02 & 2002-03       | --     |                                                              | --                    | --                                |
| P.Y.                                                   | (1.45) |                                                              | (1.24)                | (0.21)                            |
| (e) Interest Paid                                      | Nil    |                                                              | --                    | --                                |
| P.Y.                                                   | (0.79) |                                                              | (0.41)                | (0.38)                            |
| <b>Balance Outstanding as at 31.03.2004</b>            |        |                                                              |                       |                                   |
| Amount Payable                                         | --     |                                                              |                       |                                   |
| P.Y.                                                   | (Nil)  |                                                              |                       |                                   |
| Amount Receivable                                      | Nil    |                                                              |                       |                                   |
| P.Y.                                                   | (0.64) |                                                              |                       |                                   |

11. The consolidated Financial statement have been prepared in accordance with Accounting Standard (AS-21) – "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India.
12. Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.

For KANTILAL PATEL & CO  
CHARTERED ACCOUNTANTS

for and on behalf of Board

VIJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)

ASHWIN AMIN  
PARTNER  
Membership No.: 35070

MANISH GUPTA  
MANAGING DIRECTOR

KAUSHIK KHONA  
(CHIEF FINANCIAL OFFICER &  
COMPANY SECRETARY)

Dated : 31st July, 2004  
Place : Ahmedabad

Dated : 31st July, 2004  
Place : Ahmedabad

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

| Sr. No                                                                 | PARTICULARS                                                | YEAR 2003-04 |         | YEAR 2002-03 |        |
|------------------------------------------------------------------------|------------------------------------------------------------|--------------|---------|--------------|--------|
|                                                                        |                                                            | RS.          | RS.     | RS.          | RS.    |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:-</b>                        |                                                            |              |         |              |        |
| <b>NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS, ADJUSTMENTS FOR</b> |                                                            |              | 32.39   |              | 14.11  |
|                                                                        | Depreciation                                               | 19.75        |         | 16.39        |        |
|                                                                        | Interest Paid                                              | 10.14        |         | 7.86         |        |
|                                                                        | Interest Received                                          | -4.85        |         | -2.07        |        |
|                                                                        | Dividend Received [(Rs 52601/-P.Y.21821/-)]                | Nil          |         | Nil          |        |
|                                                                        | Profit/Loss on Sales of Investment                         | -0.47        |         | Nil          |        |
|                                                                        | Profit/Loss on Sales of Assets                             | 0.03         |         | Nil          |        |
|                                                                        |                                                            |              | 24.60   |              | 22.18  |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                 |                                                            |              | 56.99   |              | 36.29  |
| <b>ADJUSTMENTS FOR</b>                                                 |                                                            |              |         |              |        |
|                                                                        | Trade and other Receivables                                | -44.79       |         | 0.41         |        |
|                                                                        | Inventories                                                | -136.85      |         | -25.25       |        |
|                                                                        | Trade Payables                                             | 5.03         |         | 9.51         |        |
|                                                                        |                                                            |              | -176.61 |              | -15.33 |
| <b>CASH GENERATED FROM OPERATIONS</b>                                  |                                                            |              | -119.62 |              | 20.96  |
| <b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>                            |                                                            |              |         |              |        |
| <b>EXTRAORDINARY ITEMS :</b>                                           |                                                            |              |         |              |        |
|                                                                        | Dividend & Tax on Distribution                             | -3.13        |         | -1.05        |        |
|                                                                        | Tax Provision                                              | -1.51        |         | -0.50        |        |
|                                                                        |                                                            |              | -4.64   |              | -1.55  |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                              |                                                            |              | -124.26 |              | 19.41  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                          |                                                            |              |         |              |        |
|                                                                        | Purchase of Fixed Assets                                   | -26.50       |         | -19.07       |        |
|                                                                        | Sales of Fixed Assets                                      | 25.52        |         | 12.04        |        |
|                                                                        | Purchase of Investments                                    | -4.74        |         | Nil          |        |
|                                                                        | Sales/Share reduction of Investments [(P.Y.Rs 12090)]      | 0.47         |         | Nil          |        |
|                                                                        | Interest Received                                          | 4.85         |         | 2.07         |        |
|                                                                        | Dividend Received [(Rs 52601/-P.Y.21821/-)]                | Nil          |         | Nil          |        |
|                                                                        |                                                            |              | -0.40   |              | -4.96  |
| <b>NET CASH GENERATED IN INVESTING ACTIVITIES</b>                      |                                                            |              | -124.66 |              | 14.45  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                          |                                                            |              |         |              |        |
|                                                                        | Surplus on Amalgamation                                    | 5.86         |         | Nil          |        |
|                                                                        | Repayment/Proceeds from Bank Borrowings                    | 136.71       |         | 7.17         |        |
|                                                                        | Reduction of Capital by Repayment                          | Nil          |         | -6.22        |        |
|                                                                        | Capital Subsidy received                                   | 0.50         |         | Nil          |        |
|                                                                        | Repayment of Unsecured Loans                               | Nil          |         | -7.92        |        |
|                                                                        | Proceeds from Unsecured Loans                              | 0.52         |         | 0.05         |        |
|                                                                        | Interest Paid                                              | -10.14       |         | -7.85        |        |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                           |                                                            |              | -133.45 |              | -14.77 |
|                                                                        |                                                            |              | 8.79    |              | -0.32  |
| <b>D. OTHERS</b>                                                       |                                                            |              |         |              |        |
|                                                                        | Consolidation Adjustments                                  |              | 0.78    |              | 0.13   |
| <b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>                     |                                                            |              | 9.57    |              | -0.19  |
|                                                                        | Cash & Cash Equivalents as at (Opening Balance) 01/04/2003 | 4.36         |         | 4.55         |        |
|                                                                        | Cash & Cash Equivalents as at (Closing Balance) 31/03/2004 | 13.93        |         | 4.36         |        |
|                                                                        |                                                            |              | 9.57    |              | -0.19  |

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

2 Cash and cash equivalents include :

|                                          | As at 31.03.2004 | As at 31.03.2003 |
|------------------------------------------|------------------|------------------|
| Cash in hand (including cheques on hand) | 0.25             | 0.11             |
| With Scheduled Banks on :                |                  |                  |
| Current Accounts                         | 7.95             | 0.83             |
| Bank-Dividend Account                    | 0.36             | 0.09             |
| Short term Deposits                      | 5.37             | 3.33             |
|                                          | 13.93            | 4.36             |

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

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

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

for and on behalf of Board

VIJAYKUMAR GUPTA  
(CHAIRMAN & MANAGING DIRECTOR)

ASHWIN AMIN  
PARTNER  
MEMBERSHIP NO. : 35070

MANISH GUPTA  
MANAGING DIRECTOR

KAUSHIK KHONA  
(CHIEF FINANCIAL OFFICER &  
COMPANY SECRETARY)

Dated: 31st July, 2004  
Place: Ahmedabad

Dated: 31st July, 2004  
Place: Ahmedabad

## Gujarat Ambuja Exports Limited

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

### PROXY FORM

Folio No/ DP-ID & Client-ID \_\_\_\_\_ No of Shares held \_\_\_\_\_  
I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/s of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 13th Annual General Meeting of the Company to be held on **Thursday, 23<sup>rd</sup> September, 2004** at **11.00 A.M.** at GICEA (Gajjar Hall), Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2004

Revenue  
stamp of  
Re. 1/- to  
be affixed

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

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

For Office use Only

Proxy No.

Date of Receipt : \_\_\_\_ / \_\_\_\_ /2004.

## Gujarat Ambuja Exports Limited

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

### ATTENDANCE SLIP

**13TH ANNUAL GENERAL MEETING, Thursday, the 23<sup>rd</sup> September, 2004**

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

**Time : 11.00 A.M.**

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

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

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

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

**Notes :**

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

**BOOK-POST**

IF UNDELIVERED PLEASE RETURN TO :  
**JUPITER CORPORATE SERVICES LIMITED**  
**Unit : Gujarat Ambuja Exports Limited**  
Ambuja Tower, Opp.Memnagar Fire Station,  
P.O. Navjivan, Navrangpura,  
AHMEDABAD - 380 014