

20th

Annual Report

2014 - 2015



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**



**20th Annual General Meeting
TUESDAY 29TH SEPTEMBER, 2015
At 11.00 A.M.**

Shankar Towers, Powerpet, Eluru,
West Godavari District,
Andhra Pradesh - 534002

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BOARD OF DIRECTORS

SRI AMBICA KRISHNA	: Chairman and Managing Director
SRI AMBICA RAMCHANDRA RAO	: Whole Time Director
Smt.SATYAVATHI PERLA	: Director
SRI SREEDHARAN VENKATESAN	: Director
SRI P KISHORE THANDAVA	: Director
SRI NARAYANAM KAMESWARA RAO	: Director
SRI AMBICA HANUMA	: C.F.O.

STATUTORY AUDITORS:

SRI T S AJAI, B.Com.,FCA
Chartered Accountant
304, Minar Apts.,
Deccan Towers, Basheerbagh
HYDERABAD – 500 029.

BANKERS:

CORPORATION BANK
Eluru Branch, ELURU

REGISTERED OFFICE:

Shankar Towers
Powerpet, ELURU - 534 002.
CIN : L24248AP1995PLC020077

REGISTRARS & TRANSFER AGENTS:

**M/s. Venture Capital and Corporate
Investments Private Limited.**
12-10-167, Bharat Nagar
Hyderabad-500018

INTERNAL AUDITORS:

T.V.V. Satyanarayana
Chartered Accountant
17-1-50, Seethampets,
Rajamundry, A.P.

COMPANY SECRETARY:

Mohith Khandelwal

Admn Office

Ambica Empire
57, 100ft Road, Vadapalani
Chennai

FACTORY:

- SATRAMPADU, ELURU.
 - DUGGIRALA, ELURU
- West Godavari Dist.,
Andhra Pradesh.

LISTING AT:

National Stock Exchange of India Limited
BSE Limited

BOARD COMMITTEES

AUDIT COMMITTEE		STAKEHOLDERS RELATIONSHIP COMMITTEE	
P.V.Sreedharan	- Chairman	P.V.Sreedharan	- Chairman
P.Kishore Thandava	- Member	P.Kishore Thandava	- Member
N. Kameswara Rao	- Member	N. Kameswara Rao	- Member
REMUNERATION COMMITTEE		RISK MANAGEMENT COMMITTEE	
P.V.Sreedharan	- Chairman	P.V.Sreedharan	- Chairman
P.Kishore Thandava	- Member	P.Kishore Thandava	- Member
N.Kameswara Rao	- Member	N. Kameswara Rao	- Member



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of the Company will be held on TUESDAY 29TH SEPTEMBER, 2015 AT 11.00 A.M. at Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh - 534001 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereof.
2. To appoint a director in place of Sri Ambica Krishna (DIN - 00391898) who retires by rotation and being eligible offers himself for re-appointment
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an "Ordinary Resolution":

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, the appointment of Sri T S Ajai, Chartered Accountant, (Registration No. 025524), Hyderabad, who was appointed as the Statutory Auditors of the Company till the conclusion of 22nd Annual General Meeting, be and are hereby ratified and confirmed, on such remuneration

as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March, 2016.

SPECIAL BUSINESS:

4. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**for and on behalf of the Board
Ambica Agarbathies Aroma & Industries Limited**

Sd/-

AMBICA KRISHNA
Chairman and Managing Director

Place : Eluru
Date : 14.08.2015



NOTES TO MEMBERS:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting
4. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/ Company.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday 23rd September, 2015 to Tuesday 29th September, 2015** (both day inclusive) for the purpose of 20th Annual General Meeting.
7. Members are requested to quote ledger folio/DP id/client id number in all their correspondence to avoid delay in communication.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. up to the date of the meeting.
9. Members/Proxies are requested to bring duly filed in attendance slips sent herewith for attending the meeting.
10. Members who hold shares in physical form can nominate a person in respect of all the shares Held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility.

11. VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by

Central Depository Service (India) Limited (CDSL):

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the Company's Website during the following voting period:

COMMENCEMENT OF E - VOTING: From 10.00 A.M. on, Friday 25th, September, 2015 to 5.00 P.M. on Monday 28th September, 2015



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

E-voting shall not be allowed beyond 5.00 P.M. on Monday 28th, September, 2015. During the e-voting period, shareholders of the Company, holding shares either in physical form, as on 22nd September, 2015 may cast their vote electronically

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice.

Those members who have registered their e-mail IDs with the Company are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

12. The Company has appointed Mr.YELLAREDDY VOOTKURI, Practicing Chartered Accountant, and Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner

**for and on behalf of the Board
Ambica Agarbathies Aroma & Industries Limited**

Sd/-

AMBICA KRISHNA
Chairman and Managing Director

Place : Eluru
Date : 14.08.2015



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 4 :

The Articles of Association (“AoA”) of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the present Companies Act, 2013.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table ‘F’ of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

The proposed new draft AoA is being uploaded on the Company’s website for perusal by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out. Your Directors recommend the Resolution for your approval as Special Resolution.

**for and on behalf of the Board
Ambica Agarbathies Aroma & Industries Limited**

Sd/-

AMBICA KRISHNA
Chairman and Managing Director

Place : Eluru
Date : 14.08.2015



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Information in respect of directors seeking appointment/re-appointment as required under clause 49 VIII (E)(1) of the listing agreement

Name of the Directors	SRI AMBICA KRISHNA
Date of first appointment	21/04/1995
Date of birth/age	10/04/1951
Expertise in specific functional areas	More than 4 decades of relevant experience in the field of manufacturing and marketing of agarbathies
Educational qualification	Under graduate
Chairman/member of the committees of board of Directors of the company	NO
List of Directorships, Committee Chairmanship, Membership held in other companies as on	AMBICA AVENUES PRIVATE LIMITED AMBICA WINDSUN POWER PRIVATE LIMITED AMBICA RESORTS AND INDUSTRIES LIMITED



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the 20th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2015

1. FINANCIAL RESULTS: (₹.in lakhs)

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2015	31.03.2014
Revenue from operations	11567.77	11203.78
Other Income	64.74	64.82
TOTAL Income	11632.51	11268.60
Expenditure	11081.53	10761.51
Profit before depreciation and Income tax	550.98	517.09
Depreciation	357.48	374.78
Net profit before tax	193.5	142.31
Provision for taxation		
a. Current tax	40	13.02
b. Deferred tax	10	13.46
Profit after tax	143.51	105.84

2. STATE OF COMPANY'S AFFAIR:

During the financial year under review the overall performance of the Company was good and the overall turnover of the Company was Rs 11567.77 Lakhs as compare to Rs 11203.78 Lakhs and the Net profit Rs 143.51 Lakhs as compare to Rs 105.84 Lakhs.

3. DIVIDEND:

Your Directors do not recommend any Dividend for the Financial Year 2014-2015 as the profits are planned to be ploughed back into the business operations.

4. FIXED DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the

Companies (Acceptance of Deposits) Rules, 2014 from the its member and public during the Financial Year.

5. MEETINGS

During the year under review, Six board meetings were held on 30.05.2014, 14.08.2014 13.11.2014, 05.02.2015, 17.02.2015, and 31.03.2015. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

6. BOARD EVALUATION

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement in the following manner:

- Structured evaluation forms, as recommended by the Nomination and Remuneration Committee, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.
- The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 05, February 2015 to evaluate



the performance of the Company, the Non Independent Directors, the Board and flow of information from management.

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company

8. RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee and formulated a policy on the Risk Management. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Risk Management Policy of the Company is posted on the website of the Company

9. REMUNERATION POLICY

The Board of Directors, on recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration policy for selection, appointment and remuneration of Directors, KMP and Senior Management and matters covered u/s 178(3) of the Companies Act 2013. The details of the same are provided in the Corporate Governance Report and website of the company

10. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Sri Ambica Krishna (DIN- 00391898) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

For Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting of the Company; the particulars as required to be disclosed in accordance with Clause 49 (Corporate Governance) of Listing Agreement, forms part of Corporate Governance Report.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3) (c) of

the Companies Act, 2013, and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- (i) That in preparation of the Annual Accounts for the year ended 31st March, 2015, all the applicable Accounting Standards Prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- (ii) That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently and made judgments and estimates that are 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 of the Company for the financial year ended 31st March, 2015.
- (iii) 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, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Annual Accounts for the year ended 31st March, 2015, has been prepared on a going concern basis.
- (v) Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

12. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) and Clause 49 of the Listing Agreement.



13. STATUTORY AUDITORS

The Statutory Auditors of the Company, M/s. Sri T S AJAI Chartered Accountant, Hyderabad [Registration Number: 025524], were re-appointed by the members at the 19th Annual General Meeting held on 29th September, 2014 at 11.00 AM for a term of 3(Three) years till the conclusion of 22nd Annual General Meeting to be held in 2017. Members are requested to ratify the same at the ensuing Annual General Meeting of the company in accordance with section 139 of the Companies Act 2013.

The Audit Report issued by the Statutory Auditors for the financial year ended 31st March, 2015 forms part of this Report.

14. REPLY TO THE AUDITORS OBSERVATIONS

1. With regard to the improvement of the Internal Control system, the Company is in the process of improving the Internal control Systems
2. With regard to the statutory payments, the Company is in the process of reconcile of the data with the relevant authorities and will ensure the compliance
3. With regard to transferring of unpaid dividend to Investor Education Fund, Your board would like bring to your kind notice that the company is under the process of reconciliation of claims from the shareholders and transfer the unclaimed or unpaid dividend if any

15. INTERNAL AUDITORS:

The Board of Directors based on the recommendation of the Audit Committee has reappointed T.V.V. Satyanarayana, Chartered Accountants, and Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their Reports on quarterly basis pursuant to the provisions of section 138 and rule 13 of companies (Accounts) rules, 2014.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of anybody corporate pursuant to Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company

17. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements related and the date of the report

18. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135 (1) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Corporate social responsibility policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Corporate Social Responsibility is Not Applicable to the Company.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and Outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014

A. Conservation of Energy :

The present operation of the Company does not involve high energy consumption. However steps being taken to minimize energy consumption where ever possible

B. Research & Development :

The Research and Development division of Agarbathies department continues to focus on introducing of new brands.

C. Technology Absorption : Not Applicable

D. Foreign Exchange Earnings & Outgo :

	(In Rs. Lakhs)	
	2014-15	2013-14
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil



20. MANAGEMENT DISCUSSION AND ANALYSIS:

Aspects of Management Discussion and Analysis are enclosed as “Annexure – I” to this report

21. CORPORATE GOVERNANCE:

Report on Corporate Governance including Auditor’s Certificate on Compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as “Annexure – II” to this report

22. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Board of Directors, on recommendation of the Audit Committee, appointed M/s P S Rao and Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company. The secretarial audit report issued by M/s P S Rao and Associates, Practicing Company Secretaries for the financial year ending 31st March, 2015 is given in the FORM NO: MR - 3 is herewith annexed as “Annexure (III)” attached hereto and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the secretarial auditor and the observation made is self explanatory and requires no further explanation from the Board.

23. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm’s length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per Clause 49 of the Listing Agreement for the transactions which are of a foreseen and repetitive nature. The Company has

developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is referred in notes to Accounts.

24. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure IV” to this report.

25. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is herewith annexed as ‘Annexure V’ to this report and Rule 5 (2) Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, No employee of your company is in receipt of remuneration exceeding Rs.5, 00,000 per month or Rs. 60, 00,000 per annum during the Financial Year

26. ACKNOWLEDGEMENTS:

Your Directors place on record, their appreciation for the co-operation and support from the Bankers, Financial Institutions, the stockiest and distributors, Supplier and Customers.

Your Directors would also like to place on record their sincere appreciation and gratitude to the Shareholders, Central and State Government agencies etc for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptional commitment and loyalty to the Company.

**For and on behalf of the Board
Ambica Agarbathies Aroma & Industries Limited**

Sd/-

AMBICA KRISHNA
Chairman and Managing Director

Place : Eluru
Date : 14.08.2015



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Ambica Agarbathies Aroma & Industries Limited manufactures and sells incense sticks in India. The company owns a farm land with resort club house and health center. It also involves in the film production and distribution activities engages in wind power generation and operates hotels. The Business was founded in 1946 and is based in Eluru, India.

The company is consistently involved in innovating its products through upgrading the technology, customizing production process and creatively designing its products. With its rich experience and wide network of dynamic dealers, it is able to compete with others and meet market standards. The Company has well knit distributor/ dealer network comprising of around 600 distributors/dealers, spread over the India developed over a period of years for marketing its products.

2. OPPORTUNITIES AND THREATS:

AS PER SEGMENT WISE

Agarbathies Division

Agarbathies are used by all communities in India, Sri Lanka, Burma and by Indians residing abroad. As on today about 90 foreign countries are using our Agarbathies. Agarbathies industry is one of the labour intensive cottage types of traditional industries in India Karnataka state leads in this industry. The main centers of manufacture are Mysore and Bangalore. As on today about 150 units exist in Andhra Pradesh. In fact this is one of the items considered for boosting exports. Owing to the low level of technology involved in this industry, this can be taken to rural areas without much difficulty, thus implementing the rural industrialization policy of the government of India to a greater extent

Hotel Division

Hotel and hospitality industries are the biggest employment generators in the country. Towards helping its growth, the government should confer infrastructure status to the hotel industries, several taxation issues also need to be rationalized the demand for travel and tourism in India is expected to grow by 8.2% between 2010 and 2019 according to the tourism satellite accounting (TSA) research. The tourism sector is expected to be the second largest employer in the world where India is expected to be place third position in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019 the report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020



Construction Division

The Indian economy has witnessed considerable progress in the past few decades. Most of the infrastructure development sectors moved forward, but not to the required extent of increasing growth rate up to the tune of 8 to 10 per cent. The Union Government has underlined the requirements of the construction industry. With the present emphasis on creating physical infrastructure, massive investment is planned in this sector. The Planning Commission has estimated that investment requirement in infrastructure to the tune of about 14,500 billion or US\$320 billion during the 11th Five Year Plan period. This is a requirement of an immense magnitude. Budgetary sources cannot raise this much resources. Public Private Partnerships (PPP) approach is best suited for finding the resources. Better construction management is required for optimizing resources and maximizing productivity and efficiency.

3. SEGMENT –WISE /PRODUCT –WISE:

We have three segments which are continuingly operating through this industry which are as follows

- 1. AGARBATHIES DIVISION**
- 2. HOTEL DIVISION**
- 3. CONSTRUCTION DIVISION**

Detailed info regarding those segments which are stated above, are given below

1. AGARBATHIES DIVISION

The Company is manufacturing varieties of incense sticks, which counts more than 80% of the revenue in overall turnover of the Company, some of the majors products are

3.1.1 DurbarBathi

We offer Durbar Bathi in various fragrances to suit the different demands of the clients. We are well reckoned as one of the prominent Incense Sticks Manufacturers and Suppliers based in India. Our Durbar Bathi is comprised of natural base materials keeping in mind the national and international quality standards.

Sample Availability	:	Yes
Supplier Product Code	:	AMB-01



3.1.2 Fruit (Natural Bathies)

We offer Fruit (Natural Bathies) in various fragrances to suit the different demands of the clients. We are well reckoned as one of the prominent Incense Sticks Manufacturers and Suppliers based in India. Our Fruit (Natural Bathies) are comprised of natural base materials keeping in mind the national and international quality standards.

Sample Availability	:	Yes
Supplier Product Code	:	AMB-02

3.1.3 SunMoon (Incense Sticks) :

We offer Sun Moon (Incense Sticks) in various fragrances to suit the different demands of the clients. We are well reckoned as one of the prominent Incense Sticks Manufacturers and Suppliers based in India. Our Sun Moon (Incense Sticks) is comprised of natural base materials keeping in mind the national and international quality standards.

Sample Availability	:	Yes
Supplier Product Code	:	AMB-04

3.1.4 Amrutham (Herbal Bathies)

We offer Amrutham (Herbal Bathies) in various fragrances to suit the different demands of the clients. We are well reckoned as one of the prominent Incense Sticks Manufacturers and Suppliers based in India. Our Amrutham (Herbal Bathies) are comprised of natural base materials keeping in mind the national and international quality standards.

Sample Availability	:	Yes
Supplier Product Code	:	AMB-05

3.1.5 Athjisaya Dhoop

We offer Athjisaya Dhoop in various fragrances to suit the different demands of the clients. We are well reckoned as one of the prominent Incense Sticks Manufacturers and Suppliers based in India. Our Athjisaya Dhoop is comprised of natural base materials keeping in mind the national and international quality standards.

Sample Availability	:	Yes
Supplier Product Code	:	AMB-06



2. HOTEL DIVISION:

The performance of the Hotel division of the Company is satisfactory in this fiscal as compared to the last fiscal, the economy of the country is witnessing uptrend and more tourist and visitors are expected in this fiscal wherein we are expecting good business in coming years

3. CONSTRUCTION DIVISION

As the economy of the Country is witnessing uptrend lots of new projects are sanctioned and expected more new projects in coming time, where as we in the process of bidding for new projects and focusing on the ongoing projects in the hand.

4. INDUSTRY OUT LOOK

AGARBATHIES DIVISION

The burning of incense in religious and social functions has been practiced in India since early times. Dhup an aromatic powder or paste is burnt in Indian homes as a fragrant fumigant and is reputed to possess insecticidal and antiseptic properties. Agarbathies also known, as Udubattis similar to joss sticks are a development of Dhup. Agarbathies are obtainable in different colors and with different perfumes. The burning time; of an agarbatti varies from 15 minutes to 3 hours according to quality and size. Agarbatti is also obtainable in other forms such as dashang (stickly paste or powder) deep (cones and Dhup, tablets etc.).

HOTEL DIVISION

The hotel industry in India is going through an interesting phase. One of the major reasons for the increase in demand for hotel rooms in the country is the boom in the overall economy and high growth in sectors like information technology, telecom, retail and real estate. Rising stock market and new business opportunities are also attracting hordes of foreign investors and international corporate travelers to look for business opportunities in the country the hospitality industry of India is expected to grow at a rate of 8.8% from 2007-16, placing India the second-fastest growing tourism market in the world. Progress like massive investment in hotel infrastructure and open sky policies which are made by the government are all aimed at propelling growth in the hospitality sector.

CONSTRUCTION DIVISION

The development in Indian construction industry feature is almost equal to the construction industry development in other countries. It is founded by the government and gradually it was taken over by the enterprises. After self-government requirement for industrial and infrastructural developments in India, they established the stone of construction, architectural and engineering services.

5. RISKS AND CONCERNS:

Indians have well understood the importance of staying one step ahead of developments in the world economic environment. The industry is now preparing itself to take share of opportunities expected to arise out of the market freed from quota restrictions and other trade barriers. Industry operators are increasingly moving towards modernization and expansion as encouraged by the so-designated film production and distribution activities wind power generation; hotels ,construction activities by Government.



6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all transactions are properly authorized recorded and reported and the Company is in the process of improving internal control system

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

When it comes to Segment wise performance of the Company the Turnover of the Agarbathies Division was Rs 9326.76 Lakhs as Compare to Rs 8963.17 Lakhs, the Turnover of hotel division was Rs 2241.01 Lakhs as compared to Rs 2240.61 Lakhs and the Turnover of Windmill was 52.96 Lakhs as compared to 53.99 Lakhs and in Construction Division many projects are in finishing stages and it has good future in coming years.

8. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The Company recognizes that people play a critical role in achieving its goals. As on 31st March, 2015, Company had a team of talented and experienced employees, providing a wide range of Financial Services. The focus for the year was to build platforms and to put in place scalable processes that would meet the needs of our Company's growth agenda. As a growing Company there are many opportunities available to employees to contribute and grow, ensuring that motivation is high. Our Company prides itself on its ability to attract and retain talents at all levels.

**For and on behalf of the Board
Ambica Agarbathies Aroma & Industries Limited**

Place : Eluru
Date : 14.08.2015

Sd/-
AMBICA KRISHNA
Chairman and Managing Director



REPORT ON CORPORATE GOVERNANCE

Annexure – II

The following are the details furnished in the form as required under the Listing Agreement.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your company also believes in taking into confidence all the stakeholders viz Shareholders, Employees, Creditors, Customers etc. Your company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the company synchronizes and synergies their efforts in their growth along with the growth of their company.

2. BOARD OF DIRECTORS:

The Board of Directors presently comprises of six Directors, having rich experience and specialized skills in their respective fields, out of which 2 Executive Directors 1 Non-Executive Director and 3 Independent Directors which is more than 50% of the total strength of the Board.

All the Directors on the Board of the Company have made necessary declarations/disclosures regarding their other Directorships along with Committee positions held by them in other Companies.

During the financial year 2014-2015, 6 (Six) Board Meetings were held on the following dates: 30.05.2014, 14.08.2014 13.11.2014, 05.02.2015, 17.02.2015, and 31.03.2015. The maximum time-gap between any two consecutive meetings did not exceed four months. The composition of the Board of Directors, their directorship details and the attendance of each Member at the meetings were as follows:

Directors	Category	Attendance at AGM held on 29.09.2014	Attendance in Board Meeting		Other Boards		
			He ld	Atte nded	Direct orship Chairman ship	Comm ittee ship	Committee member
Sri Ambica Krishna	Chairman & Managing Director	Yes	6	6	3	Nil	Nil
Sri Ambica Ramachandra Rao	Executive Director	Yes	6	6	4	Nil	Nil
Smt Satyavathi Perla	Non-Executive Director	No	6	1	Nil	Nil	Nil
Sri P V Sreedharan	Non-Executive & Independent Director	Yes	6	6	Nil	Nil	Nil
Sri P Kishore Thandava	Non-Executive & Independent Director	Yes	6	6	Nil	Nil	Nil
Narayanam Kameswara Rao*	Non-Executive & Independent Director	No	6	NA	Nil	Nil	Nil

*Narayanam Kameswara Rao was appointed as non executive & independent director in the Board meeting held on 17th April, 2015



The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

In accordance with Clause 49 of the Listing Agreement, memberships/chairmanships of Audit Committees and Stakeholders Relationship Committees in all public Limited companies (excluding Ambica Agarbathies Aroma & Industries Limited) have been considered.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors.

None of the Directors serve as an Independent Director in more than 7 listed companies.

BOARD COMMITTEE

Currently, there are four Board Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk management committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below

AUDIT COMMITTEE:

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

Audit Committee of your company consists of following Directors:

1.	P V Sreedharan	Chairman
2.	P. Kishore Thandava	Member
3.	Narayanam Kameswara Rao	Member

*Narayanam Kameswara Rao was appointed as member of Audit Committee on 17th April, 2015

During the year under review, five Audit Committee Meetings were held on, 30.05.2014, 14.08.2014, 13.11.2014, 05.02.2015, and 31.03.2015.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

S. No.	Name of the Member	Designation	No of Meetings held during the Year	No of Meetings attended
1	P V Sreedharan	Chairman	5	5
2	P Kishore Thandava	Member	5	5
3	Ambica Ramachandra Rao	Member	5	5

The terms of reference are:

The terms of reference are:

- i. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the financial statement and the auditor's report thereon;
- iv. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - changes, if any, in accounting policies and practices and reasons for the same
 - major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings.
 - compliance with listing and other legal requirements relating to financial statements
 - disclosure of any related party transactions
 - review of draft Auditors Report, in particular qualifications / remarks / observations made by the Management Discussion and Analysis of financial conditions and results of operations



- v. Approval or any subsequent modification of transactions of the company with related parties;
- vi. Scrutiny of inter-corporate loans and investments;
- vii. Valuation of undertakings or assets of the company, wherever it is necessary;
- viii. Evaluation of internal financial controls and risk management systems;
- ix. Monitoring the end use of funds raised through public offers and related matters.
- x. The Committee is authorized to investigate into matters referred /delegated to it by the Board of Directors and for this purpose, has full access to information / records of the Company including seeking external professional support, if necessary.
- xi. Reviewing the Compliance of the Listing Agreement and Various other legal requirement concerning financial statements and related party transactions.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of section 178 of the Companies Act 2013, read along with clause 49 of the listing agreement, the Board has considered and approved the change in the nomenclature of the existing Remuneration Committees the "Nomination and Remuneration Committee".

4.1 Composition-name of members and Chairperson

The Nomination and Remuneration Committee constitutes the following three Non-Executive & Independent Directors.

1.	P V Sreedharan	Chairman
2.	P. Kishore Thandava	Member
3.	Narayanam Kameswara Rao	Member

**Narayanam Kameswara Rao was appointed as Member of Remuneration Committee on 17th April, 2015 and he should be effective from the respective date.*

Remuneration Committee meetings were held on 14-08-2014 and 31-03-2015 attendance of each Member of Committee is as follows.

Sl. No.	Name of the Member	Designation	No. of Meetings held during the year	No. of meetings attended
1	P. V. Sreedharan	Chairman	2	2
3	P Kishore Thandava	Member	2	2
3	Ambica Ramachandra rao	Member	2	2



Brief Description Of Terms Of Reference

The Remuneration Committee is vested with the power to decide and pay to the executive and non-executive directors of the Company. This power is exercisable on behalf of the Board of Directors and the Shareholders.

The terms of reference of the Remuneration Committee are as follows:

- a) The Remuneration Committee recommends to the board the compensation terms of the executive directors / non-executive directors
- b) Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- c) Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors
- d) Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- e) Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

Remuneration Policy:

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent and reward merit. Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

Details of the Directors' Remuneration:

Director	Designation	Remuneration for Financial Year 2014-15 (in `)	
		Salary & Perks	Total
Sri Ambica Krishna	Chairman & Managing Director	9,00,000	9,00,000
Sri Ambica Ramachandra Rao	Executive Director	6,00,000	6,00,000

No sitting fees is paid to the Independent Directors of the Company

STAKEHOLDER RELATION SHIP COMMITTEE:

The terms of reference of the Investor Grievance & Share Transfer Committee are as follows:

To supervise and ensure:

- (i) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;



- (ii) Issue of duplicate / split / consolidated share certificates;
- (iii) Allotment and listing of shares;
- (iv) Review of cases for refusal of transfer / transmission of shares and debentures;
- (v) Reference to statutory and regulatory authorities regarding investor grievances;
- (vi) And to otherwise ensure proper and timely attendance and Redressal of investor queries and grievances.

Composition of Shareholder and Investor Grievance Committee is as follows :

1.	P. V. Sreedharan	Chairman
2.	P. Kishore Thandava	Member
3.	Narayanam Kameswara Rao	Member

The committee specifically looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors. It resolves within the reasonable time, various complaints received from the investors.

(a) **Name and designation of Compliance Officer** **Mr. Ambica Krishna**
Chairman & Managing director

(b) **Details of Investor complaints received and redressed during the year:**

Nature of Complaints	Year 2014-15		
	Received	Resolved	Pending
Total Complaints	10	10	NIL

During the year under review, the Independent Directors met on 05, February. 2015, inter alia, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.



A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

VIGIL MECHANISM POLICY

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies as may be prescribed to establish a vigil mechanism, called Whistle Blower Policy (as per Clause 49 of the Listing Agreement) for the Directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Under these circumstances, AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED, being a Listed Company has established a Vigil Mechanism and formulated a Policy for the same, pursuant to the review and recommendation by the Audit Committee.

RISK MANAGEMENT COMMITTEE

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Risk Management Committee (RM Committee) constitution meets with the requirements of Clause 49 of the Listing Agreement and requirements of the Companies Act, 2013

Role and Responsibilities of the Committee includes the following:

- i. Framing of Risk Management Plan and Policy
- ii. Overseeing implementation of Risk Management Plan and Policy
- iii. Monitoring of Risk Management Plan and Policy
- iv. Validating the process of risk management
- v. Validating the procedure for Risk Minimisation
- vi. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed



- vii. Performing such other functions as may be necessary or appropriate for the performance of its oversight function

Composition of Risk Management Committee is as follows.

1.	P. V. Sreedharan	Chairman
2.	P. Kishore Thandava	Member
3.	Narayanam Kameswara Rao	Member

6. General Body Meetings:

- ◆ **Location, day, date and time where the last three AGMs held and special resolution passed thereat as follows:**

Year	Day, Date & Time	Location	Special Resolution
2013-14	Monday, 29 th September, 2014 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2012-13	Monday, 30 th September, 2013 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2011-12	Saturday, 29 th September, 2012 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--

No Special Resolution is passed in the Previous three Annual General Meeting.

POSTAL BALLOT

The Company has conducted the postal ballot for the item specified as below Dated 18.05.2015 and results were declared on 20th June, 2015 by the Chairman on the basis of the report submitted by the scrutinizer.

ITEM OF POSTAL BALLOT :

Items of postal ballot:

- Appointment of Sri Narayanam Kameswara Rao as Independent Director
- Appointment of Smt satyavathi perla as Women Director
- Appointment of sri Ambica Krishna as Chairman & Managing Director
- Appointment of sri Ambica Ramachandra Rao as Whole time Director
- Amendment of main objects to the Memorandum of Association
- Approval of Related Party Transaction



SPECIAL RESOLUTION(S) PASSED THROUGH POSTAL BALLOT

During the year, the members of the Company have approved the following items through postal ballot

- i. Re-appointment of sri ambica krishna as chairma & managing director
- ii. Re-appointment of sri ambica ramachandra rao as wholetime director
- iii. Amendment of main objects to the memorandum of association
- iv. Approval of related party transaction

The particulars of the Voting Pattern in the Postal Ballot is as follows:

RESOLUTION	No. of Members Voted for the Resolution	No of Invalid Postal Ballot Forms	No. of Shares held by the Members	Votes cast in favor of the Resolution	Votes Cast against the Resolution	% of Votes Cast in Favor of Resolution
Appointment of Sri Narayanam Kameswara Rao as Independent Director	107	NIL	11879046	11879046	NIL	100%
Appointment of Smt Satyavathi Perla as Women Director	107	NIL	11739087	11739087	NIL	100%
Appointment of Sri Ambica Krishna as Chairman & Managing Director	107	NIL	10487345	10487345	NIL	100%
Appointment of Sri Ambica Ramachandra Rao as Whole time Director	107	NIL	10414096	10414096	NIL	100%
Amendment of main objects to the Memorandum of Association	107	NIL	11879046	11879046	NIL	100%
Appointment of Related Party Transaction	107	NIL	11879046	11879046	NIL	100%



- Sri Ambica Krishna Chairman & Managing Director of the Company was authorized to conduct the postal ballot process and Mr. YELLAREDDY VOOTKURI, Practicing Chartered Accountant, was appointed as Scrutinizer for Postal Ballot process of the Company.
- No Special Resolution is proposed to be conducted through postal ballot at the ensuing 20th Annual General Meeting.

DISCLOSURES:

Disclosures on Materially Significant Related Party Transactions:

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

Details of Non-Compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the capital markets.

The company has belatedly complied some of the provision of Clause 41 of listing Agreement

MEANS OF COMMUNICATION:

Quarterly results:

Quarterly Results and Annual Results of the Company are normally published in English daily and Regional daily.

As required by Clause 49 of the Listing Agreement, Management Discussion and Analysis report is a part of the Annual Report.

9. General Shareholder Information:

Date, time and Venue	:	Tuesday 29th September, 2015 at 11.00AM Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh.
Financial year	:	1st April, 2015 to 31st March, 2016.
Book Closure	:	Wednesday 23rd September 2015 to Tuesday 29th September, 2015 (both day inclusive)
Dividend Payment Date	:	Not Applicable



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- Listing on Stock Exchanges : 1) BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
MUMBAI - 400001.
- 2) National Stock Exchange of India Limited.
'EXCHANGE PLAZA' 5th Floor, Plot#C/1,
G-Block, Bandra-Kurla Complex,

Stock Code:

Name of the Stock Exchange Stock	: Code/Symbol
BSE Limited	532335 / AMBICAGR
National Stock Exchange of India Ltd.	AMBICAAGAR

The Listing fee for the year 2014-2015 has been paid to both the above said Stock Exchanges.

- Market Price Data: During the last Financial Year 2014-2015
High and Low of the each month of the Company's Equity Shares during the last Financial Year 2014-15 at BSE Limited

BSE Limited		
Month	High ₹	Low ₹
April, 2014	5.37	3.7
May, 2014	6.18	4.35
June, 2014	7.69	5.72
July, 2014	8.17	6.00
August, 2014	8.45	6.00
September, 2014	9.99	6.21
October, 2014	7.99	5.99
November, 2014	6.80	5.26
December, 2014	6.00	5.07
January, 2015	6.20	4.54
February, 2015	5.22	4.00
March, 2015	4.25	3.81

The script of the company in NSE & BSE was suspended for belated compliance under clause 41 of listing agreement and in BSE platform the shares of the company is traded on every Monday of the week

SHARE TRANSFER SYSTEM:

The Board of Director has delegated the power of share transfer to Registrar and Share Transfer Agents for processing of Share transfers to M/s Venture Capital and Corporate Investments Private Limited



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Shareholding pattern as on 31st March 2015:

Sl. No.	Category	No. of Shares Held	% of Shareholding
A 1.	INDIAN PROMOTERS & PROMOTER GROUP Individuals/Hindu Undivided Family Central Government /State Governments Bodies Corporate Financial Institutions/Banks	8247779	48.02
	Sub Total of A1	8247779	48.02
A2.	FOREIGN Individuals (Non-Residents) Individuals (Foreign Individuals) Bodies Corporate Institutions Any Other (Specify)		
	Sub Total of A2	Nil	Nil
	TOTAL OF A1 +A2	8247779	48.02
B1.	Public Shareholdings Institutions Mutual Funds and UTI Banks/Financial Institutions Central Government/State Government Venture Capital Funds Insurance Companies Foreign Institution Investor Foreign Venture Capital Investors Any Other (Specify)	1750	0.01
	Sub Total B1	1750	0.01
B2.	Non Institutions Bodies Corporate Individuals Individuals share holders holdings nominal share capital upto Rs. 1 Lakhs Individual Shareholding holding nominal share capital in excess of Rs. 1 Lakhs Any Other (Specify) NRIs/OCBs Foreign Collaborators Clearing Members	26494776 2942611 3268247 67587 50185 17402	15.42 17.13 19.03 0.39 0.29 0.10
	Sub Total B2	8927871	51.97
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	8929621	51.98
C	Shares held by Custodian and against which Depository Receipts have been issued	Nil	Nil
	TOTAL A+B+C	17177400	100.00



Distribution of Shareholding as on 31st March, 2015

Sl. No.	Category From - To Rs Rs	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1	Up to 5000	4795	96.21	2439653	14.20
2	5001 - 10000	89	1.79	665245	3.87
3	10001 - 20000	33	0.66	436654	2.54
4	20001 - 30000	16	0.32	411141	2.39
5	30001 - 40000	4	0.08	138035	0.80
6	40001 - 50000	10	0.20	437892	2.55
7	50001 - 100000	12	0.24	807995	4.70
8	100001 and above	25	0.50	11840785	68.93
	Total	4984	100	17177400	100

Dematerialization of shares and liquidity:

The Shares of the Company are under compulsory demat trading. The Company has already entered into necessary agreements with NSDL and CDSL for demat facility.

77.42% of total equity share capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2015.

CEO & CFO Certifications

The CFO of the Company gave annual certificates on financial reporting and internal controls to the Board in terms of Clause 49. Report annexed

• **Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: Nil**

Plant Location : SATRAMPADU, ELURU.
DUGGIRALA, ELURU, West Godavari Dist, Andhra Pradesh

Address for correspondence:

Sri Ambica Krishna
Ambica Agarbathies Aroma & Industries Limited
Shankar Towers
Power pet, ELURU-534002

REGISTRAR&TRANSFER AGENT

Both physical and demat:
M/s. Venture Capital and Corporate Investments Private Limited
12-10-167, Bharat Nagar
Hyderabad-500018



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

DECLARATION OF THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS:

Ambica Agarbathies Aroma & Industries Limited has adopted a Code of Business Conduct and Ethics ("the Code") which applied to all employees and Director of the Company. Under code, it is responsibility of all employees and Directors to familiarize themselves with the Code and Comply with its standards.

I hereby certify that the Board Members and Senior Management Personnel of Ambica Agarbathies Aroma & Industries Limited have affirmed compliance with the Code for the Financial Year 2014-15.

Sd/-

Ambica Krishna
Chairman & Managing Director



Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificates:

I, Sri Ambica Hanuma, Chief Financial officer of Ambica Agarbathies Aroma & Industries Ltd, to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2015.
2. To the best of our knowledge and belief:
 - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - b) The financial statements and other financial information included in this report present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5.
 - a) There has not been any significant change in internal control over financial reporting during the year under reference;
 - b) There has not been any significant changes in accounting policies during the year under reference; and
 - c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Eluru
Date: 14.08.2015

Sd/-
AMBICA HANUMAN
Chief Financial Officer



SECRETARIAL AUDIT REPORT

For the financial year ended 31st march, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
M/s Ambica Agarbathies Aroma & Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Ambica Agarbathies Aroma & Industries Limited (hereinafter called the company) having its registered office at Shankar towers power pet Eluru-534002. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (not applicable during the audit period)
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable during the audit period)
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable during the audit period)



- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the audit period)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable during the audit period) and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable during the audit period)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(Not notified hence not applicable to the Company)
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s),

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Belated compliance of Clause 41 of the Listing agreement

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period and information received from the management of the Company there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For P S Rao & Associates,
Company Secretaries

Sd/-

P S Rao

Company Secretary
C P No: 3829

Place: Hyderabad
Date: 14.08.2015



**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24248AP1995PLC020077
2.	Registration Date	21/04/1995
3.	Name of the Company	AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Company Limited By Shares/Indian Nongovernment Company
5.	Address of the Registered office & contact details	Shankar Towers, Power pet, Eluru, West Godavari Dist, Andhra Pradesh, India.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad-500018

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	AMBICA AGARBATHIES	20238	83.77%
2	HOTEL	55101	16.23%
3	CONSTRUCTION	4100	00.00%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
NIL					

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7367349	880430	82477779	48.02	7367349	880430	82477779	48.02	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter (A)	7367349	880430	82477779	48.02	7367349	880430	82477779	48.02	0.00
B. Public Shareholding									
1. Institutions									
i) FIIs	0	0	0	0	1750	0	1750	0.01	0.01
Sub-total (B)(1):-	0	0	0	0	1750	0	1750	0.01	0.01
2. Non-Institutions									
a) Bodies Corp.	544204	1900000	2444204	14.23	749426	1900000	2649426	15.42	1.19
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2839548	201209	3040757	17.7	2743602	199009	2942611	17.13	(0.57)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2481290	900000	3381290	19.68	2368247	900000	3268247	19.03	(0.65)
c) Others (specify)									
Non Resident Indians	52685	0	52685	0.31	50185	0	50185	0.29	(0.02)
Clearing Members	10685	0	10685	0.06	17402	0	17402	0.10	0.04
Sub-total (B)(2):-	5928412	3001209	8929621	51.98	5928862	2999009	8927871	51.97	0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5928412	3001209	8929621	51.98	5930612	0	8929621	51.98	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	13295761	3881639	17177400	100	13297961	3879439	17177400		0.00



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

B) Shareholding of Promoter:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Ambica Ramchandra Rao	14,64,950	8.53	0.00	14,64,950	8.53	0.00	0.00
2	P V V P Krishna Rao	13,91,701	8.10	0.00	13,91,701	8.10	0.00	0.00
3	Alapati Ramanjaneyulu	12,38,700	7.21	0.00	12,38,700	7.21	0.00	0.00
4	Rajeshwar Rao Alapati	12,11,213	7.05	0.00	12,11,213	7.05	0.00	0.00
5	A Madhavi Perla	5,11,450	2.98	0.00	5,11,450	2.98	0.00	0.00
6	A Santoshi	4,40,200	2.56	0.00	4,40,200	2.56	0.00	0.00
7	A V Prasad	4,15,213	2.42	0.00	4,15,213	2.42	0.00	0.00
8	P T N V A R Sudarsan	3,55,213	2.07	0.00	3,55,213	2.07	0.00	0.00
9	Alapati Ambica Sivakumar	2,18,325	1.27	0.00	2,18,325	1.27	0.00	0.00
10	Alapati Ambica Hanuma	2,18,325	1.27	0.00	2,18,325	1.27	0.00	0.00
11	Satyavathi Perla	1,39,959	0.81	0.00	1,39,959	0.81	0.00	0.00
12	Alapati Lalitha Kumari	1,39,950	0.81	0.00	1,39,950	0.81	0.00	0.00
13	Alapati Rama Lakshmi	1,39,950	0.81	0.00	1,39,950	0.81	0.00	0.00
14	Satyamala Alapati	1,39,700	0.81	0.00	1,39,700	0.81	0.00	0.00
15	Satyamala Alapati	1,11,450	0.65	0.00	1,11,450	0.65	0.00	0.00
16	A P J Suneetha	1,11,450	0.65	0.00	1,11,450	0.65	0.00	0.00
17	Ambica Satyavathi	4	0.00	0.00	4	0.00	0.00	0.00
18	Ambica Satyanarayana	13	0.00	0.00	13	0.00	0.00	0.00
19	G Mangavalli	13	0.00	0.00	13	0.00	0.00	0.00
	Total	82,47,779	48.02	0.00	82,47,779	48.02	0.00	0.00



C) Change In Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company`	No. of shares	% of total shares of the company
		At the beginning of the year	82,47,779	48.02	82,47,779
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the s reason for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE MADE DURING THE YEAR				
At the end of the year	82,47,779	48.02	82,47,779	48.02	

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name	Shareholding		Date	Increase/ decrease In share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning (01-04-14)/end of the year (31-03-2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	Trinethra infra ventures limited	1900000	11.06	1/4/2014	0	Nil Movement During the year		
		1900000	11.06	31/3/2015	0		1900000	11.06
2	Puvvada bhaskar rao	900000	5.24	1/4/2014	0	Nil movement During the year		
		900000	5.24	31/3/2015	0		900000	5.24



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3	Venkata sailesh kumar lingamallu	144890	0.84	01/4/2014	0	Nil Movement During the Year		
		144890	0.84	31/3/2015	0		144890	0.84
4	Manishaben S.Bhandari	128732	0.75	01/4/2014	0	Transfer		
		0	0.00	19/9/2014	128732		0.00	0.00
5	Dheeraj kumar lohia	121443	0.71	01/4/2014	0	Nil Movement During the Year		
		121443	0.71	31/3/2015	0		121443	0.71
6	Divakar atluri lohia	111659	0.65	01/4/2015	0	Nil Movement During the Year		
		111659	0.65	31/3/2015	0		111659	0.65
7.	Grandhi sri venkata amarendra	102960	0.60	01/4/2014	0	Nil Movement During the Year		
		102960	0.60	31/3/2015	0		102960	0.60
8.	Pan securities ltd	99953	0.58	01/4/2014	0	Nil Movement During the Year		
		99953	0.58	31/3/2015	0		99953	0.58
9.	Sureshbhai P. Bhanderi	90000	0.52	01/4/2014	0	Transfer		
		0	0.00	19/9/2014	90000		0	0.00
10.	Palla anuradha	70188	0.40	01/4/2014		Purchase		
				04/7/2014	102000		172188	
11	Marwadi shares * and finance ltd.	0	0.00	01/4/2014		Purchase		
				19/9/2014	218732		218732	1.27
12	Ans pvt limited*	21301	0.12	01/4/2014		Purchase		
				25/7/2014	10000		31301	0.18
				01/8/2014	2000	Purchase	33301	0.19
				22/8/2014	10000	Purchase	43301	0.25
				05/9/2014	26000	Purchase	69301	0.40
				12/9/2014	15000	Purchase	84301	0.49
				19/9/2014	18713	Purchase	103014	0.60
				30/9/2014	10000	Purchase	113014	0.66
				31/3/2015			113014	0.66

*Marked shareholders were not present in the list of top ten shareholders as on 01.04.2014 and are reflecting in the above list since they are in the top ten list as on 31.03.2015



E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Increase/ decrease In share holding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the		No. of shares	% of total company of the company
1	AMBICA KRISHNA	13,91,701	8.10	NO CHANGE DURING THE YEAR	13,91,701	8.10
2	AMBICA RAMACHANDRA RAO	14,64,950	8.53		14,64,950	8.53
3	P V SREEDHARAN	Nil	Nil		Nil	Nil
4	P KISHORE THANDAVA	8,000	0.04		8000	0.04
5	SATYAVATHI PERLA	1,39,959	0.81		1,39,959	0.81
6	NARAYANAM KAMESWARA RAO	Nil	Nil		Nil	Nil

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but no due for payment.

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,39,60,780	14,54,25,125	3,76,35,760	48,70,21,665
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
Total (i+ii+iii)	30,39,60,780	14,54,25,125	3,76,35,760	48,70,21,665
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	2,91,37,362	11,37,28,185	27,51,844	14,56,17,391
Net Change	27,48,23,418	3,16,96,940	3,48,83,916	34,14,04,274
Indebtedness at the end of the financial year				
i) Principal Amount	27,48,23,418	3,16,96,940	3,48,83,916	34,14,04,274
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
Total (i+ii+iii)	27,48,23,418	3,16,96,940	3,48,83,916	34,14,04,274



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Ambica krishna	Ambica Rama Chandrarao	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000	6,00,000	15,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total (A)	900000	600000	1500000
	Ceiling as per the Act,*			-

*Ceiling as per the Act, is with in the limit approved by shareholders in their meetings and it is calculated as per the Section 198 of the Companies Act, 2013

B. Remuneration to other directors: NIL

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					



C. Remuneration to key managerial personnel other than MD/MANAGER/WTD: NIL

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	Others specify...				
5	Others, please specify				
	Total				

NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL



**Information pursuant to Section 197 of the Act
Read with Rule 5(1) of the Companies (Appointment and Remuneration of
Managerial Personnel) Rules, 2014.**

- A. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2014-15 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15:**

Name of the Director/Key Managerial Personnel	Remuneration of Director KMP for the financial year 2014-15	% increase in Remuneration in the financial year 2014-15	Ratio of the remuneration to the median remuneration of the employees
Ambica Krishna	9,00,000	-	6.98%
Ambica Ramachandra Rao	6,00,000	-	4.65%

Note: The median remuneration of employees of the Company during the financial year was Rs.129000

- B. The percentage increase in the median remuneration of employees in the financial year:4.37%**
- C. The number of permanent employees on the rolls of company: 435**
- D. The explanation on the relationship between average increase in remuneration and company performance:**

The average increase in the employee remuneration effected during the year 2014-15 is based on the individual performance and Company's performance during the previous financial year 2013-14. The other factors considered for revision in remuneration is based on market survey, functional expertise, industry standards etc.,

- E. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Aggregate remuneration of Key Managerial Personnel (KMP)	15,00,000
Revenue	115,67,76,927
Remuneration of KMP as a % of revenue	0.13%
Profit Before Tax (PBT)	1,93,50,899
Remuneration of KMP as a % of PBT	7.75%

- F. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Particular	As at March 31, 2015	As at March 31, 2014	Variation
Market Capitalisation (in ₹ Crores)	6.95	7.11	-0.16%
Market Price	4.05	4.14	-2.17%
EPS	0.84	0.62	35.48%
Price Earnings Ratio	4.82	6.67	-27.74

- G. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in the salaries of employees other than the managerial personnel in 2014-15 was 79.83%. The Percentage increase in the managerial remuneration for the same financial year was Nil

- H. Comparison of each remuneration of the Key Managerial Personnel against the performance of the company:**

Name	Remuneration	Revenue	% of revenue	PBT	% of PBT
Ambica Krishna	9,00,000	115,67,76,927	0.08%	1,93,50,899	4.65%
Ambica Ramachandra Rao	6,00,000	115,67,76,927	0.05%	1,93,50,899	3.10%

- I. The key parameters for any variable component of remuneration availed by the directors:**

Not Applicable as the directors does not avail any variable component of remuneration

- J. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not Applicable as No employee is receiving remuneration in excess of the highest paid Director

- K. Affirmation that the remuneration is as per the remuneration policy of the company.**

It is hereby affirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board
AMBICAAGARBATHIES AROMA & INDUSTRIES LIMITED

Sd/-
AMBICA KRISHNA
Chairman and Managing Director

Place: Eluru
Date: 14.08.2015



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,
The Members
Ambica Agarbathies Aroma & Industries Limited
ELURU

We have examined the compliance of conditions of Corporate Governance by Ambica Agarbathies Aroma & Industries Limited for the financial year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement expect belated competence of clause 41 of the listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2014 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 14.08.2015

Sd/-
T S AJAI
Chartered Accountant
Membership No.025524



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMBICA AGARBATHIES AROMA AND INDUSTRIES LIMITED Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of AMBICA AGARBATHIES AROMA AND INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As requirements by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. As per the information furnished to us the amounts of Rs.6,23,674 lying with the company in unpaid dividend account which have remained unclaimed or unpaid for a period of 7 years or more have not been transferred to the Investor Education and Protection Fund by the Company.

Sd/-

(T.S. AJAI)

Chartered Accountant
Membership No.025524

Place: Hyderabad
Date : 22.05.2015



Annexure to the Auditors' Report

(Refer to in paragraph 3 of our report of even date to the Members of Ambica Agarbathies Aroma and Industries Limited for the year ended 31st March 2015)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- ii. (a) As informed to us, the physical verification of the inventory was conducted as at the year-end by the Management, which in our opinion is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of the inventory followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us the Company has made trade deposit of Rs.12,00,00,000/- (which is disclosed as long term loans and advances in the balance sheet as at 31.03.2015) to one Company covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount of such trade deposit outstanding during the year is Rs. 12,00,00,000 /- and the year-end balance of such trade deposit is Rs. 12,00,00,000/-.
- (a) In the case of above said trade deposit, the receipt of principal and interest are regular.
- (b) In respect to above trade deposit there are no over dues.
- iv. **In our opinion and according to the information and explanations given to us, the company has internal control system, which in our view requires improvement, commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. Further on the basis of examination of the books and records of the company, we have not come across any instances of continuing failure to correct major weaknesses in the internal control system.**
- v. According to the information and explanations given to us, the Company has not accepted any Deposits from the public. Accordingly, the provisions of clause (v) of the paragraph 3 of the order are not applicable to the Company.
- vi. According to the information and explanations given to us the maintenance of the cost records has not been specified by the Central Government under section 148(1) of the Companies Act 2013 in respect of the businesses carried on by the Company. Accordingly, the provisions of clause (vi) of the paragraph 3 of the order are not applicable to the Company.



- vii. (a) **According to the information and explanations given to us and on the basis of our examination of the records of the company, we are of the opinion that there are delays in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Value added tax and other statutory dues with the appropriate authorities.** According to the information and explanations given to us, the Company had no liability of Excise duty and Customs duty during the year.

According to the information and explanations given to us, except outstanding dues as detailed in the chart below, there are no undisputed arrears of outstanding statutory dues as at the last day of the financial year i.e 31 March 2015 for a period of more than six months from the date they became payable.

S.No	Particulars	Period to which amount relates	Amount
1	Works contracts (TDS) – Construction division	2007-08	13,20,000
2	Works contracts (TDS) – Construction division	2008-09	8,85,388
3	Works contracts (TDS) – Hotel division	2011-12	3,92,312
4	Income tax	2011-12	42,52,948
5	Income Tax	2012-13	38,33,056

- (b) According to the information and explanations given to us, the following are the particulars of income tax amounts not paid as at 31 March 2015 by the Company on account of dispute.

Name of the Statute	Nature of the dues	Demand (Rs.)	Year to which the amount related	Forum where dispute is pending
Income Tax Act, 1961	Asst. made u/s. 143(3) r.w.s. 147	75,81,340/-	AY 2010-11	CIT(A), Chennai, Tamil Nadu.
Income Tax Act, 1961	Asst. made u/s. 143(3) r.w.s. 147	61,23,380/- (Includes Rs.38,33,056 covered in point 5 of table (a) above)	AY 2012-13	CIT(A), Chennai, Tamil Nadu.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- (c) As per the information furnished to us the amounts of Rs.6,23,674 lying with the company in unpaid dividend account which have remained unclaimed or unpaid for a period of 7 years or more have not been transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Company did not have any accumulated losses as at the end of the financial year and has not incurred any cash losses in the current financial year and in the immediately preceding financial year
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institution except that in the case of loans due to the banks, installment payments aggregating to Rs. 6,87,64,616 were repaid with a delay ranging from 2 to 87 days. The Company did not have any outstanding debentures during the year.
- x. The Company has given corporate guarantee to Indian Overseas Bank, Vizag on behalf of Ambica Infra Ventures Pvt. Ltd. Hyderabad, (which was a subsidiary of the Company at the time the Corporate guarantee was issued by the Company, and the shares of which were subsequently transferred to in the financial year 2010-11). We are informed by the Company that the process of substitution of the said Corporate Guarantee by the new management of Ambica Infra Ventures Pvt. Ltd., Hyderabad is in progress.

In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by the said Ambica Infra Ventures Pvt. Ltd. from banks or financial institutions are not prejudicial to the interest of the company.

- xi. In our opinion and according to the information and explanations given to us, and on the overall examination of the balance sheet of the Company, we are of the opinion that the term loans taken by the company have been applied for purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year nor have we been informed of any such case by the management.

Sd/-

(T.S. AJAI)

Chartered Accountant
Membership No.025524

Place : Hyderabad

Date : 22.05.2015



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No	As at 31.3.2015 ₹	As at 31.3.2014 ₹
I. EQUITY AND LIABILITIES			
1 Share holders funds			
(a) Share capital	2	17,12,94,623	17,12,94,623
(b) Reserves and surplus	3	18,80,88,956	17,36,35,527
(c) Money received against share warrants		-	-
		35,93,83,579	34,49,30,150
(2) Share application money pending allotment	4	1,99,685	1,99,685
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	31,22,07,334	38,16,55,395
(b) Deferred tax liabilities (Net)	6	4,74,69,094	4,64,69,094
(c) Other long-term liabilities	7	2,91,96,940	10,53,66,270
(d) Long-term provisions	8	4,15,872	4,15,872
		38,92,89,240	53,39,06,631
(4) Current Liabilities			
(a) Short-term borrowings	9	26,36,16,258	25,66,76,516
(b) Trade payables	10	2,86,16,449	4,22,12,688
(c) Other current liabilities	11	3,62,55,194	1,72,33,757
(d) Short-term provisions	12	1,85,82,310	1,64,18,319
		34,70,70,211	33,25,41,280
TOTAL		109,59,42,715	121,15,77,747
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	13.1	39,44,22,287	41,95,01,926
(ii) Intangible assets	13.2	78,470	11,726
(iii) Capital work-in-progress	13.3	14,03,41,948	12,09,44,682
		53,48,42,705	54,04,58,334
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	14	14,67,47,642	15,21,87,158
(e) Other non-current assets	15	-	-
		68,15,90,347	69,26,45,493
(2) Current assets			
(a) Current investments			
(b) Inventories	16	21,56,88,010	14,44,02,066
(c) Trade receivables	17	8,55,31,630	7,31,66,667
(d) Cash and cash equivalents	18	1,45,60,532	73,34,527
(e) Short-term loans and advances	19	5,79,88,609	25,03,24,981
(f) Other current assets	20	4,05,83,587	4,37,04,013
		41,43,52,368	51,89,32,254
Division Balances		-	-
TOTAL		109,59,42,715	121,15,77,747

III. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-32

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-
T.S. Ajai
Chartered Accountant
Membership No.025524

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Hyderabad
Date : 22.05.2015

Sd/-
AMBICA HANUMAN
CFO



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No	For the Year Ended 31.3.2015 ₹	For the year Ended 31.3.2014 ₹
I. Revenue from operations	21	115,67,76,927	112,03,78,107
II. Other income	22	64,74,485	64,82,156
III. TOTAL REVENUE (I+II)		116,32,51,412	112,68,60,263
IV. Expenses:			
(a) Cost of materials consumed	23	19,65,15,873	21,79,89,226
(b) Purchases of stock-in-trade	24	43,53,27,614	37,52,68,752
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade "	25	(2,18,74,568)	29,921
(d) Employee benefits expense	26	4,01,54,964	2,23,28,823
(e) Finance costs	27	9,23,64,957	9,64,76,606
(f) Depreciation and amortisation expense	13	3,57,47,865	3,74,77,717
(g) Other expenses	28	36,56,63,808	36,40,57,595
TOTAL EXPENSES		114,39,00,513	111,36,28,639
V. PROFIT BEFORE TAX (III-IV)		1,93,50,899	1,32,31,624
VI. Tax expense:			
(i) Current tax	29	40,00,000	13,01,589
(ii) Deferred tax		10,00,000	13,45,761
		<u>50,00,000</u>	<u>26,47,350</u>
VII. PROFIT (LOSS) FOR THE PERIOD (V-VI)		1,43,50,899	1,05,84,274
VIII. Earnings per equity share : Basic and diluted	30	<u>0.84</u>	<u>0.62</u>
IX. NOTES FORMING PART OF THE FINANCIAL STATEMENT	1-32		

As per our Report of even date

Sd/-

T.S. Ajai

Chartered Accountant
Membership No.025524

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-

AMBICA KRISHNA

Chairman & Managing Director

Sd/-

AMBICA RAMACHANDRA RAO

Director

Sd/-

AMBICA HANUMAN

CFO

Place : Hyderabad
Date : 22.05.2015



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2014-2015

Particulars	For the Year Ended 31.3.2015 ₹	For the year Ended 31.3.2014 ₹
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	1,93,50,899	1,32,31,625
Adjustment for :		
Interest Expenditure	9,23,64,957	9,64,76,606
Interest Income	(1,36,493)	(10,27,200)
Depreciation	3,57,47,865	3,74,77,717
Other Non Cash Exp	-	14,40,000
Loss on sale of Fixed assets	9,80,536	-
	<u>12,89,56,865</u>	<u>13,43,67,123</u>
Operating profit before working capital changes	14,83,07,764	14,75,98,748
Changes in working capital		
Adjustments for :		
Decrease / (Increase) in Inventories	(7,12,85,945)	13,66,841
Decrease / (Increase) in Trade Receivables	(1,23,64,963)	(1,07,09,942)
Decrease / (Increase) in Other Current Assets	31,20,427	37,62,794
Increase / (Decrease) in Other Current Liabilities and provisions	(5,57,59,844)	94,05,149
Increase / (Decrease) in Trade payables	(1,35,96,239)	(3,19,898)
	<u>(14,98,86,564)</u>	<u>35,04,944</u>
Cash generated from operations	(15,78,799)	15,11,03,691
Taxes paid (Net of refund)	(24,15,700)	-
Net Cash generated from Operating Activities	(39,94,499)	15,11,03,691
II. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	1,36,493	10,27,200
Purchase of Tangible / Intangible assets	(4,51,98,555)	(1,95,12,906)
Proceeds from disposal of fixed assets	1,33,79,956	14,90,000
Decrease / (Increase) in Loans and Advances	19,77,75,887	(2,91,99,405)
Net cash used in Investing activities	<u>16,60,93,781</u>	<u>(4,61,95,111)</u>
III. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long term borrowings	(6,94,48,061)	(3,06,36,819)
Increase / (Decrease) in Short term borrowings	69,39,741	2,15,10,294
Interest paid	(9,23,64,957)	(9,64,76,606)
Net cash provided by / (used in) financing activities	(15,48,73,277)	(10,56,03,131)
Net Increase / (Decrease) in cash and cash equivalents (I+II+III)	72,26,005	(6,94,551)
Opening balance of cash and cash equivalents	73,34,527	80,29,077
Closing balance of cash and cash equivalents	1,45,60,532	73,34,526
Increase / (Decrease) in cash or cash equivalents	72,26,005	29,92,469
Cash and cash equivalents comprise of:		
Cash on hand	34,21,602	23,56,749
Cheque on hand		
Balances with banks	1,11,38,930	49,77,777
Total	1,45,60,532	73,34,526
IV. "NOTES FORMING PART OF THE FINANCIAL STATEMENTS" 1-32		

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-

T.S. Ajai

Chartered Accountant
Membership No.025524

Sd/-

AMBICA KRISHNA

Chairman & Managing Director

Sd/-

AMBICA RAMACHANDRA RAO

Director

Sd/-

AMBICA HANUMAN

CFO

Place : Hyderabad

Date : 22.05.2015



Notes forming part of the Financial Statements

1) Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards (AS) prescribed by Companies (Accounting Standard) Rules 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, (the 'Act'), to the extent applicable.

1.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expense for the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification."

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents



1.4 Fixed Assets:

Fixed Assets are stated cost less accumulated depreciation. Cost comprises purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

1.5 Depreciation:

The Company adopts a policy to provide depreciation on Straight Line Method as per Schedule XIV of the Companies Act, 1956. In respect of additions / deletions during the year, depreciation was provided on prorata basis with reference to the date of addition / disposal.

1.6 Intangible Assets:

Intangible Assets are recognized if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. Trade Marks of the Company is amortized over a period of 10 years under Straight Line Method (SLM).

1.7 Inventories:

Inventories are stated at lower of Cost or Net Realizable Value. Cost is computed based on weighted average cost method. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their present condition and location.

1.8 Revenue Recognition:

Revenue on sale of goods is recognised on transfer of risk and reward of ownership to the buyer.

Interest Income is recognised on accrual basis.

Contract Revenue is recognized on "Percentage of Completion" basis measured by the proportion that the cost incurred up to the reporting date bear to the estimated total cost of the contract.

1.9 Turnover:

"Turnover includes Sale of goods, Services, Sales Tax (VAT), Service Tax and Luxury Tax."

1.10 Foreign Exchange Transactions:

Foreign exchange transactions are accounted based on the exchange rate prevailing as on the date of the transaction. Balances outstanding at the year-end are reported at the exchange rate prevailing as on the date of the Balance Sheet. The resulting profit/loss due to foreign exchange fluctuation is transferred to Profit & Loss Account, if it is of revenue in nature and to respective fixed assets if it is of Capital in nature.



1.11 Investments :

Investments, being long term in nature, are valued at cost of acquisition. Adjustment for increase/decrease in the value of investments, if any, will be accounted for on realisation of the investments. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

1.12 Employee Benefits:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of past employment and other long term benefits are charged to the profit and loss account.

1.13 Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

1.14 Income taxes

Income tax expense comprise of current tax and deferred tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain to be realised. The break-up of the deferred tax assets and liabilities as at the balance



sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

1.15 Impairment of Assets:

At each balance sheet date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets' net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of asset and from its disposal are discounted to their present value using a pre- tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment losses recognized in prior years, if any, is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior year.

1.16 Provisions and Contingencies:

A provision is recognized when the company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation. In respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized and, if any, are adequately disclosed in the notes to accounts.

1.17 Earnings per Share:

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding for the period.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 2 SHARE CAPITAL

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2015		As at 31st March, 2014	
		No. of Shares	Amount	No. of Shares	Amount
I.	Authorised "2,10,00,000 Equity Shares, face value of Rs.10/- each "	2,10,00,000	21,00,00,000	2,10,00,000	21,00,00,000
II.	Issued,Subscribed "1,71,77,400 Equity Shares, face value of Rs.10/- each "	1,71,77,400	17,17,74,000	1,71,77,400	17,17,74,000
III.	Paid-up Capital Less: Calls in Arrears By Directors By Others		- 4,79,377		- 4,79,377
	Paid up Capital	1,71,77,400	17,12,94,623	1,71,77,400	17,12,94,623

a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2015		As at 31st March, 2014	
		No. of Shares	Amount	No. of Shares	Amount
I	Equity Shares At the beginning of the period Add: Issued during the period "Less: Brought bank during the year"	1,71,77,400 - -	17,17,74,000 - -	1,71,77,400 - -	17,17,74,000 - -
	Outstanding at the end of the period	1,71,77,400	17,17,74,000	1,71,77,400	17,17,74,000

b) **Rights, Preferences and restrictions attached to shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 each. The holder of equity shares are entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company (Amount in ₹)

S. No.	Particulars	As at 31st March, 2015		As at 31st March, 2014	
		No. of Shares	% of share Holding	No. of Shares	% of share Holding
	Equity Shares				
	Trinethra Infra Ventures Limited	19,00,000	11.06%	19,00,000	11.06%
	Agnvsa Ramchandra Rao	14,64,950	8.53%	14,64,950	8.53%
	P V V P Krishna Rao	13,91,701	8.10%	13,91,701	8.10%
	Alapati Ramanjaneyulu	12,38,700	7.21%	12,38,700	7.21%
	Rajeshwar Rao Alapati	12,11,213	7.05%	12,11,213	7.05%
	Puvvada Bhaskar Rao	9,00,000	5.24%	9,00,000	5.24%

Note: The Clauses f,h,i,j of Note 6(A) is not applicable to this company

Note No : 3 RESERVE AND SURPLUS

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Capital Reserves		
	Opening Balance	19,15,503	19,15,503
	Add: Additions during the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	19,15,503	19,15,503
(b)	Share Premium Account		
	Opening Balance	2,48,00,035	2,48,00,035
	Add: Additions during the year	-	-
	Less: Utilised during the year		
	Closing balance	2,48,00,035	2,48,00,035
(c)	General Reserve		
	Opening Balance	1,77,72,017	1,77,72,017
	Add: Additions during the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	1,77,72,017	1,77,72,017
(d)	Surplus from Statement of Profit and Loss		
	Balance brought forward from previous year	12,92,50,502	11,86,66,228
	Add: Profit for the year	1,43,50,900	1,05,84,274
	Less: Utilised during the year		
	Closing balance	14,36,01,401	12,92,50,502



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

(e)	(i) Agarbathi Division		
	Misc Expenses Not Written off		
	Balance brought forward from previous year	-	14,40,000
	Add: Profit for the year	-	-
	Less: Utilised/transferred during the year	-	14,40,000
	Closing balance	-	-
	(ii) Hotel Division		
	Misc Expenses Not Written off		
	Balance brought forward from previous year	-	1,02,529
	Add: Profit for the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	-	1,02,529
	Total of Misc Expenses Not Written off (i+ii)	-	1,02,529
	Total Reserves and Surplus (a+b+c+d-e)	18,80,88,956	17,36,35,527

Note No : 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Share Application Money	1,99,685	1,99,685
		1,99,685	1,99,685

Note No. : 5 LONG -TERM BORROWINGS

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Term Loans		
	Secured		
	Agarbathi Division		
	- from banks	12,24,88,312	12,45,23,412
	- from other parties	25,00,000	4,00,58,855
		12,49,88,312	16,45,82,267
	Term Loans		
	Secured		
	Hotel Division		
	- from banks	15,23,35,106	17,94,37,368
	- from other parties	-	-
		15,23,35,106	17,94,37,368
	Total	27,73,23,418	34,40,19,636

Note: Refer note (c) and (d) for repayment terms and details of securities pledged.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

Sl. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(b)	Other Loans and Advances		
	(i) Agarbathi division		
	Others (unsecured)		
	Trade Deposits From Distributors Of Durbar Bathies	89,42,375	91,82,720
	Trade Deposits From Distributors Of Scented	2,59,41,541	2,84,53,040
	(ii) Hotel Division		
	Trade Payable		
	Others		
	Total (i+ii)	3,48,83,916	3,76,35,760
	Grand Total (a+b)	31,22,07,334	38,16,55,396

(c) Repayment terms of Long Term Loans

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
1	Agarbathi Division Corp Bank Agarbathi Machinery	2,14,18,578	" Repayable by July 2017, In Monthly Installments "
2	IOB Rental Discounting Term Loan	9,68,97,510	" Repayable by February 2021, In Monthly Installments "

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
1	Hotel Division Corp Bank New Hotel Renovation (Empire)	3,34,56,917	" Repayable by September 2017, In Monthly Installments "
2	Corp Bank New Hotel Construction, Vizag (Sea Green)	2,14,23,012	" Repayable by October 2019"
3	Corp Bank New Hotel Construction, Vizag (Sea Green)	9,74,55,177	" Repayable by April, 2020"



(d) Details of Securities Pledged

Sl. No.	Agarbathi Division	
1	Hypothecation by way of exclusive First charge on machinery acquired out of bank finance and all movable assets of the company	Corp Bank Agarbathi Machinery
	First Charge on Future Rent Receivables of the company.	
2.	Collateral security of EM land admeasuring 8064 sq ft and building of 21000 sq ft thereon situated at T.S. No 26, block no. 41 New No 32 Arcot Road Kodambakkam, Chennai owned by Mr.PVV Krishna Rao and 6 others.	IOB Rental Discounting Term Loan
	Hotel Division	
1	Hypothecation by way of exclusive First charge on all the assets acquired out of bank finance and on all movable assets of the company	Corp Bank New Hotel Renovation (Empire)
2	“First Charge on all movable assets of the company, EMG leasehold rights on plot no,1 survey no 981,Waltair ward, Kirlampudi layout , visakhapatnam to the extent of 1547.32 yards. Hypothecation by way of exclusive First charge on all movable assets of the Hotel situated in vizag.”	Corp Bank New Hotel Construction, Vizag (Sea green)
3	“First Charge on all movable assets of the company, EMG leasehold rights on plot no,1 survey no 981,Waltair ward, Kirlampudi layout , visakhapatnam to the extent of 1547.32 yards. Hypothecation by way of exclusive First charge on all movable assets of the Hotel situated in vizag.”	Corp Bank New Hotel Construction, Vizag TI -New (Sea green)

Inaddition to the above securities, ambica hotel and directors personal properties have been provided as collateral security.

(e) Delays in repayment of term loans

Loan	Range of No. of days of delay	Amount of installments
Corp Bank New Hotel Construction, Vizag (Sea green)	2-85	76,64,985
Corp Bank New Hotel Construction, Vizag (Sea green)	10-87	3,10,38,401
Corp Bank New Hotel Renovation (Empire)	4-85	1,06,53,148
Corp Bank Agarbathi Machinery	9-60	24,03,242
IOB Rental discounting loan	2-86	1,70,24,640
Total	2 - 87	6,87,84,416



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 6 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

S. No.	Particulars	As at March 31, 2015	As at March31, 2014
	Deferred Tax Liability	4,74,69,094	4,64,69,094
	Total	4,74,69,094	4,64,69,094

Note No. : 7 OTHER LONG TERM LIABILITIES

S. No.	Particulars	As at March 31, 2015	As at March31, 2014
	Unsecured		
	Interest free deposit from related party	-	6,00,00,000
	Others		
	Agarbathi Division		
	Advances given to suppliers	-	92,00,000
		-	6,92,00,000
	Construction Division		
	-APSRTC - Vijayawada	2,31,48,063	2,31,48,063
	-APSRTC - Vizag	-	69,69,331
	-Other Advances	60,48,877	60,48,877
	Total	2,91,96,940	3,61,66,270
	Grand Total	2,91,96,940	10,53,66,270

Note No : 8 LONG TERM PROVISIONS

S. No.	Particulars	As at March 31, 2015	As at March31, 2014
	Agarbathi Division		
	Provision for Employee Benefits	-	-
	Provision for Others		
	- Provision for Income Tax	4,15,872	4,15,872
	Total	4,15,872	4,15,872

Note No : 9 SHORT TERM BORROWINGS

S. No.	Particulars	As at March 31, 2015	As at March31, 2014
	Agarbathi division		
	from Banks		
	Secured		
	Loans Repayable on Demand from Banks		
	-Corporation bank CC Loan	26,36,16,258	25,66,76,516
	Vehicle Loans (Secured)	-	-
	Total	26,36,16,258	25,66,76,516



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Working Capital Loan of Rs.26,36.16 Lakhs (2566.76 Lakhs) from Corporation Bank, Eluru, is against the hypothecation of raw materials, stocks-in-process, finished goods, consumables, stores, spares etc., and book debts, current assets present and future of the Company, equitable mortgage on fixed assets of Hotel Division and collateral security of personal properties and personal guarantee of directors i.e., Ambica Krishna, Ambica Sudarsan, Ambica Ramachandra Rao and their relatives.

Note No : 10 TRADE PAYABLES

(Amount in ₹)

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Agarbathi division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	1,53,54,216	2,55,63,118
(b)	Hotel Division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	1,32,62,233	1,66,49,570
(c)	Construction Division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	-	-
	Total	2,86,16,449	4,22,12,688

Note No : 11 OTHER CURRENT LIABILITIES

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Agarbathi division		
	(i) Current Maturities of Long Term Debt		
	(ii) Unpaid Dividend	6,23,674	6,23,674
	(iii) Other Payables	-	-
	-TDS Payable	4,00,432	3,70,636
	-VAT/CST/Entry Tax Payable	3,88,571	7,52,110
	-Deposits received from customers	82,996	
	Other Payables	2,95,02,294	57,43,266
	Total	3,09,97,967	74,89,686
(b)	Hotel Division		
	Other Payables		
	-TDS Payable	2,10,974	4,47,155
	-VAT/CST/Entry Tax Payable	11,05,299	11,73,911
	- Import Liquor Tax Payable	25,404	17,824
	- Luxury Tax Payable	3,92,489	4,82,408
	-Sales Tax Payable	-	-
	- Service Tax Payable	7,55,045	2,51,338
	-Other current Liabilities	5,44,142	51,47,562
	Total	30,33,354	75,20,198



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(c)	Construction Division	-	-
	Other Payables		
	-TDS Payable	22,05,388	22,05,388
	-Other current Liabilities	18,485	18,485
	Total	22,23,873	22,23,873
	Grand Total (a+b+c)	3,62,55,194	1,72,33,757

Note No : 12 Short term Provisions

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Agarbathi Division		
	Provision for Employee Benefits	34,762	81,958
	Provision for Income Tax	78,33,053	72,71,607
		78,67,815	73,53,565
	Hotel Division		
	Provision for Employee Benefits	1,07,14,495	90,64,754
		1,07,14,495	90,64,754
	Total	1,85,82,310	1,64,18,319
	Hotel Division		
	Provision for Employee Benefits	90,64,754	73,00,688
		90,64,754	73,00,688
	Total	1,64,18,319	75,52,796



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

13.1 : TANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01.04.2014	Additions During the Year	Deductions during the year	As at 01.04.2014	For the Year	Adjustments	As at 31.03.2015	As at 31.03.2014
1	13.1.1 Land								
	Agarbathi Division	15,68,931	-	-	-	-	-	-	15,68,931
	Hotel Division	42,14,968	-	-	-	-	-	-	42,14,968
	Empire -Chennai	42,14,968	-	-	-	-	-	-	42,14,968
	SUB TOTAL	57,83,899	-	-	-	-	-	-	57,83,899
2	13.1.2 Buildings								
	Agarbathi Division	1,94,81,318	-	-	69,47,219	4,99,890	74,47,109	1,20,34,209	1,25,34,099
	Hotel Division	17,53,20,248	14,213	22,94,167	1,99,17,258	28,00,109	2,26,54,747	15,03,85,546	15,54,02,990
	Empire -Chennai	10,43,71,171	-	-	1,82,60,001	16,40,285	1,99,00,286	8,44,70,884	8,61,11,170
	Seagreen- Vizag	6,99,08,281	14,213	22,94,167	12,85,694	11,26,866	23,49,939	6,52,76,388	6,86,22,587
	Flavours-Vizag	10,40,796	-	-	3,71,563	32,959	4,04,522	6,36,274	6,69,233
	SUB TOTAL	19,48,01,566	14,213	22,94,167	2,68,64,477	33,00,000	3,01,01,856	16,24,19,755	16,79,37,089
3	13.1.3 Plant & Machinery								
	Agarbathi Division	12,75,00,928	34,40,084	-	6,89,56,091	69,53,636	7,59,09,727	5,50,31,285	5,85,44,837
	Windmill power	4,50,30,744	-	-	2,63,05,777	15,06,116	2,78,11,893	1,72,18,851	1,87,24,967
	Hotel Division	8,51,80,228	79,13,283	27,95,279	2,91,63,570	40,36,195	3,29,50,698	5,73,47,534	5,60,16,658
	Empire -Chennai	5,50,14,361	8,20,574	-	2,68,34,675	21,36,166	2,89,70,841	2,68,64,095	2,81,79,686
	Seagreen- Vizag	2,82,52,081	70,68,209	27,95,279	14,81,080	17,77,272	2,49,067	2,95,15,726	2,67,71,001
	Flavours-Vizag	19,13,786	24,500	-	8,47,815	1,22,758	9,70,573	9,67,713	10,65,971
	SUB TOTAL	25,77,11,900	1,13,53,367	27,95,279	12,44,25,438	1,24,95,947	2,49,067	13,66,72,318	12,95,97,670
									13,32,86,462



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

13.1 : TANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01.04.2014	Additions During the Year	Deductions As at 31.03.2015	As at 01.04.2014	For the Year	Deletions/ As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
4	13.1.4 Furniture & Fittings								
	Agarbathi Division	1,42,71,286	7,26,907	-	62,66,754	11,10,572	73,77,326	76,20,867	80,04,532
	Hotel Division	16,33,44,665	1,00,08,534	98,80,125	9,45,64,102	1,04,23,602	17,16,706	6,02,02,076	6,87,80,562
	Empire - Chennai	10,45,87,874	11,46,701	-	8,70,97,471	16,92,860	8,87,90,331	1,69,44,244	1,74,90,402
	Seagreen-Vizag	5,67,81,416	88,61,833	98,80,125	60,74,000	86,75,254	1,30,32,548	4,27,30,576	5,07,07,416
	Flavours-Vizag	19,75,375	-	-	13,92,631	55,488	14,48,119	5,27,256	5,82,744
	SUB TOTAL	17,76,15,951	1,07,35,441	98,80,125	10,08,30,856	1,15,34,174	17,16,706	6,78,22,943	7,67,85,094
5	13.1.5 Vehicles								
	Agarbathi Division	5,30,04,334	29,35,562	17,01,410	2,36,03,107	47,37,160	2,83,40,267	2,58,98,219	2,94,01,227
	Hotel Division	1,30,79,467	35,500	4,23,736	83,28,339	24,27,117	1,07,55,456	19,35,775	47,51,128
	Empire - Chennai	1,28,39,798	-	4,23,736	83,02,638	23,93,508	1,06,96,146	17,19,916	45,37,160
	Seagreen-Vizag	2,39,669	35,500	-	25,701	33,609	59,310	2,15,859	2,13,968
	SUB TOTAL	6,60,83,801	29,71,062	21,25,146	3,19,31,446	71,64,277	-	2,78,33,994	3,41,52,355
6	Others								
	13.1.6 Computers								
	Agarbathi Division	43,88,603	1,74,130	-	41,16,570	4,02,644	45,19,214	43,519	2,72,033
	Hotel Division	68,32,836	4,79,326	-	55,47,839	8,43,817	63,91,656	9,20,506	12,84,998
	Empire - Chennai	50,01,722	3,24,826	-	50,01,723	1,80,096	51,81,819	1,44,730	-
	Seagreen-Vizag	14,94,482	1,54,500	-	2,65,107	6,55,697	9,20,804	7,28,178	12,29,375
	Flavours-Vizag	3,36,632	-	-	2,81,009	8,024	2,89,033	47,599	55,623
	SUB TOTAL	1,12,21,439	6,53,456	-	96,64,409	12,46,460	-	9,64,026	15,57,031
	TOTAL - TANGIBLE	71,32,18,556	2,57,27,540	1,70,94,717	29,37,16,626	3,57,40,858	20,28,393	39,44,22,287	41,95,01,930



13.2 : INTANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK		
		As at 01.04.2014	Additions/ During the Year	Deductions As at 31.03.2015	As at 01.04.2014	For the Adjustment/ Year	As at 31.03.2015	As at 31.03.2014
1	13.2.1 Trade Marks							
	Agarbathi Division	10,24,000	73,750	-	10,12,274	7,006	10,19,280	78,470
	SUB TOTAL	10,24,000	73,750	-	10,12,274	7,006	10,19,280	78,470
2	13.2.2 Intangible Asset							
	Agarbathi Division	-	-	-	-	-	-	-
	Hotel Division	50,000	-	-	50,000	-	50,000	-
	Empire -Chennai	-	-	-	-	-	-	-
	Flavours-Vizag	50,000	-	-	50,000	-	50,000	-
	Seagreen- Vizag	-	-	-	-	-	-	-
	Construction Division	-	-	-	-	-	-	-
	SUB TOTAL	50,000	-	-	50,000	-	50,000	-
	TOTAL- INTANGIBLE	10,74,000	73,750	-	10,62,274	7,006	10,69,280	78,470

13.3 : CAPITAL WORK-IN-PROGRESS

Sl.No.	Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK		
		As at 01.04.2014	Additions/ during the Year	Deductions during the year	As at 01.04.2014	For the Adjustment/ Year	As at 31.03.2015	As at 31.03.2014
1	13.3.1 Work in Progress							
	Agarbathi Division	9,119	-	-	-	-	9,119	9,119
	Hotel Division	-	-	-	-	-	-	-
	Empire - Chennai	-	-	-	-	-	-	-
	Flavours-Vizag	-	-	-	-	-	-	-
	Seagreen Vizag	-	-	-	-	-	-	-
	Construction Division	12,09,35,563	1,93,97,265	-	-	-	14,03,32,829	12,09,35,563
	TOTAL-WIP	12,09,44,682	1,93,97,265	-	-	-	14,03,41,948	12,09,44,682
	GRAND TOTAL	83,52,37,238	4,51,98,555	1,70,94,717	29,47,78,900	3,57,47,865	32,84,98,372	53,48,42,705



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 14 Long - Term Loans & Advances

(Amount in ₹)

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Agarbathi Division		
	Unsecured, Considered good		
	Capital Advances		
	-Advance for capital project	-	-
	Security Deposits	1,34,51,207	1,12,51,722
	Loans and Advances to related Parties		
	-Trade Deposits	12,00,00,000	12,00,00,000
Other Loans and Advances	7,59,874	6,38,681	
	Total	13,42,11,081	13,18,90,402
(b)	Hotel Division		
	Unsecured, Considered good		
	Security Deposits	65,36,357	57,41,506
	Other Loans and Advances	2,50,877	88,05,923
	Total	67,87,234	1,45,47,429
(c)	Construction Division		
	Unsecured, Considered good		
	Security Deposits	57,49,327	57,49,327
	Other Loans and Advances		
	Total	57,49,327	57,49,327
	Grand Total (a+b+c)	14,67,47,642	15,21,87,158

Note No : 15 Other Non Current Assets

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Agarbathi Division		
	Unsecured, Considered good		
	Long-term Trade Receivables		
	Others		
	Total	-	-
	Hotel Division		
	Unsecured, Considered good		
	Long-term Trade Receivables		
	Others		
	Total	-	-
	Construction Division		
	Unsecured, Considered good		
	Long-term Trade Receivables		
	Others		
	Total	-	-
	Grand Total	-	-



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 16 INVENTORIES

(Amount in ₹)

(At Lower of Cost and net realisable value)

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Agarbathi Division		
	(a) Raw Materials	15,57,24,818	10,73,15,548
	(b) Finished Goods	5,06,49,819	2,87,75,251
	(c) Stores and Spares	-	-
	(d) Packing Material	53,02,011	42,90,482
	Total	21,16,76,648	14,03,81,281
	Hotel Division		
	Stock-in-hand	40,11,362	40,20,785
	Total	40,11,362	40,20,785
	Grand Total	21,56,88,010	14,44,02,066

Note No : 17 TRADE RECEIVABLES

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Agarbathi Division		
	(a) " Outstanding for a period exceeding six months from the date they are due for payment "		
	Secured, considered good	-	-
	Unsecured, considered good	98,342	1,00,048
	(b) Others	-	-
	Secured, considered good	-	-
	Unsecured, considered good	7,69,11,428	6,72,44,834
	Total	7,70,09,770	6,73,44,881
	Hotel Division		
	a) " Outstanding for a period exceeding six months from the date they are due for payment "		
	Secured, considered good	-	-
	Unsecured, considered good	13,28,750	7,16,750
	b) Others	-	-
	Secured, considered good	-	-
	Unsecured, considered good	71,93,110	51,05,036
	Total	85,21,860	58,21,786
	Grand Total	8,55,31,630	7,31,66,667



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 18 CASH AND CASH EQUIVALENTS

(Amount in ₹)

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	(a) Agarbathi Division		
	(i) Balances With Banks		
	- Current Accounts	39,82,451	55,20,574
	- Earmarked balances	1,78,536	1,78,536
	- Deposit amounts		
	(ii) Cheques,drafts on hand		
	(iii) Cash on hand	23,26,075	10,47,880
	Total	64,87,063	67,46,991
	(b) Hotel Division		
	(i) Balances With Banks		
	- Current Accounts	69,77,943	-7,69,893.65
	- Earmarked balances	-	-
	- Deposit amounts	-	-
	(ii) Cheques,drafts on hand	-	-
	(iii) Cash on hand	10,20,055	12,81,958
	Total	79,97,998	5,12,064
	(c) Construction Division		
	(i) Balances With Banks		
	- Current Accounts	-	48,561
	- Earmarked balances	-	-
	- Deposit amounts	-	-
	(ii) Cheques,drafts on hand	-	-
	(iii) Cash on hand	75,472	26,911
	Total	75,472	75,472
	Grand Total	1,45,60,532	73,34,527



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 19 SHORT - TERM LOANS AND ADVANCES

(Amount in ₹)

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	(a) Agarbathi Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	3,00,00,000	3,00,00,000
	- with Acp for supply of durbar bathies	-	18,00,00,000
	Others		
	- with Statutory Authorities	75,153	75,153
	Other Loans and advances	72,02,326	1,95,38,608
	Total	3,72,77,479	22,96,13,761
	(b) Hotel Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Others		
	Other Loans and advances	1,66,130	1,66,220
	Total	1,66,130	1,66,220
	(c) Construction Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	2,05,25,000	2,05,25,000
	Others		
	Other Loans and advances	20,000	20,000
	Total	2,05,45,000	2,05,45,000
	Grand Total	5,79,88,609	25,03,24,981



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 20 OTHER CURRENT ASSETS

(Amount in ₹)

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Agarbathi Division		
	Interest Receivable	-	-
	Others	3,75,25,253	3,73,54,000
	Total	3,75,25,253	3,73,54,000
	Hotel Division		
	Interest Receivable	-	34,50,288
	Others	30,58,333	28,99,725
	Total	30,58,333	63,50,013
	Grand Total	4,05,83,587	4,37,04,013

Note No : 21 REVENUE FROM OPERATIONS

S. No.	Particulars	For the year Ended 31.3.15	For the year Ended 31.3.14
	a) Agarbathi Division		
	(i) Sale of Products		
	Ambica Durbar Bathies	64,46,20,309	60,15,32,393
	Ambica Scented Bathies	28,80,55,661	29,46,75,591
	(ii) Other operating revenues	-	1,09,350
	Less: Excise Duty		
	Total	93,26,75,970	89,63,17,334
	(b) Hotel Division		
	(i) Sale of Products		
	Food Sales	11,55,17,085	11,23,77,014
	(ii) Sale of Services		
	Rent Receipts	4,94,21,767	4,99,54,625
	Hospitality Income	4,35,12,651	3,86,86,597
	Foreign currency fluctuations	37,218	
	Income my time spa	1,44,100	
	(iii) Other operating revenues	1,54,68,135	2,30,42,538
	Less: Excise Duty		
	Total	22,41,00,957	22,40,60,773
	Grand Total (a+b)	115,67,76,927	112,03,78,107



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 22 OTHER INCOME

(Amount in ₹)

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	(a) Agarbathi Division		
	Interest Income	-	9,46,519
	Dividend Income	-	-
	Net gain/ loss on sale of investments	-	-
	Other non-operating income	63,37,992	54,53,066
	Total	63,37,992	63,99,585
	(b) Hotel Division		
	Interest Income	1,36,493	80,681
	Dividend Income	-	-
	Net gain/ loss on sale of investments	-	-
	Other non-operating income	-	1,890
	Total	1,36,493	82,571
	Grand Total (a+b)	64,74,485	64,82,156

Note No : 23 COST OF MATERIAL CONSUMED

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	(a) Agarbathi Division		
	Cost of Material Consumed		
	Opening Stock	-	-
	Raw Material	10,73,15,548	10,76,71,798
	Packing Material	42,90,482	44,40,482
		11,16,06,030	11,21,12,280
	Add: Purchases		
	Raw Material	15,21,50,253	11,72,19,990
	Packing Material	3,70,67,481	4,36,00,673
	Total	18,92,17,734	16,08,20,664
	Sub total	30,08,23,764	27,29,32,944
	Less: Closing Stock		
	Raw Material	15,57,24,818	10,73,15,548
	Packing Material	53,02,011	42,90,482
		16,10,26,829	11,16,06,030
	Total	13,97,96,935	16,13,26,914
	(b) Hotel Division :		
	Opening Stock		
	Provisions and Other Raw Material	-	44,36,120
	Add: Purchases	5,67,18,938	5,62,46,977
	Sub total	5,67,18,938	6,06,83,097
	Less: Closing Stock		
	Provisions and Other Raw Material	-	40,20,785
	Total	5,67,18,938	5,66,62,312
	Grand Total (a+b)	19,65,15,873	21,79,89,226



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 24 PURCHASES OF STOCK-IN-TRADE

(Amount in ₹)

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	Durbarbathi Purchased	43,53,27,614	37,52,68,752
		43,53,27,614	37,52,68,752

Note No : 25 CHANGES IN INVENTORIES OF FINISHED GOODS

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	Closing Balance	5,06,49,819	2,87,75,251
	Opening Balance	2,87,75,251	2,88,05,172
	Net increased/decreased	(2,18,74,568)	29,921

Note No : 26 EMPLOYEE BENEFIT EXPENSES

Employee Benefit Expenses Consist of the following :

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
(a)	Agarbathi Division :		
	Salaries and Incentives	1,95,65,431	42,75,823
	Contribution to -		
	(i) Provident Fund	1,88,756	1,40,514
	(ii) Employee State Insurance	10,836	10,923
	(iii) Bonus	50,000	-
	(iv) Gratuity	-	-
	Staff welfare Expenses	15,40,593	3,55,168
	Total	2,13,55,616	47,82,428
(b)	Hotel Division :		
	Salaries and Incentives	1,58,63,524	1,53,34,099
	Contribution to -		
	(i) Provident Fund	14,92,629	4,90,496
	(ii) Employee State Insurance	3,91,678	2,33,301
	(iii) Bonus	1,21,015	5,98,006
	(iv) Gratuity	-	-
	Staff welfare Expenses	9,30,502	8,90,493
	Total	1,87,99,348	1,75,46,395
	Grand Total (a+b)	4,01,54,964	2,23,28,823



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 27 FINANCE COSTS

(Amount in ₹)

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	(a) Agarbathi Division :		
	Interest expenses	5,96,22,632	6,09,73,047
	Other Borrowing Costs	43,95,110	39,06,141
	Applicable gain/loss on foreign currency transactions and translation	1,70,114	-
	Total	6,41,87,856	6,48,79,188
	(b) Hotel Division :		
	Interest expenses	2,66,98,893	3,00,09,468
	Other Borrowing Costs	14,78,208	15,87,950
	Applicable gain/loss on foreign currency transactions and translation	-	-
	Total	2,81,77,101	3,15,97,418
	Grand Total (a+b)	9,23,64,957	9,64,76,606

Note No : 28 OPERATING AND OTHER EXPENSES

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	(a) Agarbathi Division :		
	Agarbathi Making and Packing Charges	1,25,76,739	1,70,22,289
	Electricity Charges	40,26,226	42,40,136
	Fuel & Generator Maintenance	12,76,140	15,85,802
	Charities And Donations	6,16,016	5,59,813
	Consultancy Charges	2,71,779	2,14,354
	Insurance Premium	20,37,405	19,47,849
	Internal Auditors Expenses	-	-
	Audit Fee	15,44,911	11,60,647
	Listing Fee	1,55,304	1,37,000
	Miscellaneous A/C Balances W/O	-	14,40,000
	Miscellaneous Expenses	34,290	57,224
	Office Maintenance	8,76,717	1,19,968
	Postage And Courier	1,47,998	92,838
	Printing And Stationary	3,34,876	3,40,840
	Rates And Taxes	8,89,838	11,98,358
	Rent	13,17,428	9,26,516
	Repairs to Building	12,16,453	15,22,356
	Repairs to Machinery	36,81,789	28,74,138
	Repairs to Other Assets	25,96,789	7,38,929
	Share Registrar Fees	-	-
	Subscription	-	-



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

Telephone And Communication Expenses	20,00,238	24,94,990
Travelling And Conveyance Expenses	68,79,071	1,03,76,164
Vehicle Maintenance	94,46,513	76,24,022
Advertisement and Sales Promotions	1,93,82,603	2,67,55,669
Freight and Dispatch Expenses	1,18,51,731	78,12,547
Trade Discount on Sales	12,99,28,817	12,44,16,676
Turnover and Entry Taxes	3,22,76,464	3,46,17,211
Loss on Sale of Vehicles	-	-
CPCCommission	48,076	-
Total	24,54,14,211	25,02,76,335
(b) Hotel Division :		
Publicity Expenses	9,250	88,400
Computer Maintenance	2,24,797	2,88,594
Consultancy Charges	2,96,274	3,32,069
Conveyance	2,72,196	4,52,518
Electricity Charges	1,83,92,888	1,76,44,588
Fuel Expenses	1,19,76,825	1,29,33,257
House Keeping Charges	3,03,76,137	2,88,62,323
Insurance	5,29,000	4,27,040
Kitchen Expenses	42,29,493	53,77,349
Miscellaneous Expenses	14,99,533	13,14,144
Postage and Courier Expenses	4,60,738	61,729
Printing & Stationary	18,32,554	19,00,292
Rates and Taxes	17,53,092	19,44,447
Rent	73,25,702	66,94,022
Repair to Building	10,344	6,969
Repair to Machinery	5,98,178	12,06,670
Repairs to Other Assets	1,14,51,245	71,43,187
Newspaper and Subscriptions	5,84,352	5,34,790
Telephone Expenses	12,69,767	15,42,672
Transport Expenses	9,01,651	10,08,131
Travelling Expenses	1,35,611	3,86,694
Uniform and Linen	2,59,916	4,94,756
Vehicle Maintenance	22,37,564	21,44,995
Advertisement Expenses	36,87,918	39,04,001
Discounts allowed	1,74,771	5,73,898
Turnover and Other Taxes	1,87,04,841	1,63,03,672
Loss on Sale of Vehicles	(1,81,264)	-
Others	-	-
ADDL.DEMAND ON SALES TAX 2007 TO 2011	478	2,216
DONATION	5,000	6,500
FOOD FESTIVAL EXPENSES	1,05,378	88,976
Internal Audit Fee	1,34,832	1,12,360
LOSS ON CYCLONE HUD HUD	9,80,536	-
AM CHARGES	10,000	-
Total	12,02,49,597	11,37,81,260
Grand Total (a+b)	36,56,63,808	36,40,57,595



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 29 CURRENT TAX

(Amount in ₹)

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	Income tax for the year		
	Current tax	40,00,000	13,01,589
	“Adjustment / (credits) related to Previous year-Net”		
	Current tax	10,00,000	13,45,761
	Total	50,00,000	26,47,350

Note No : 30 EARNINGS PER EQUITY SHARE

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	BASIC AND DILUTED “		
	Profit after Tax	1,43,50,900	1,05,84,274
	No. of Equity Shares	1,71,29,462	1,71,29,462
	Face Value per Share	10	10
	Basic/(Diluted) Earning per Share	0.84	0.62

Note No : 31 ADDITIONAL INFORMATION

S. No.	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
(a)	Employee benefit expenses (refer note 26)	4,01,54,964	2,23,28,823
(b)	Depreciation and amortization expenses (refer note 13)	3,57,47,865	3,74,77,717
(c)	Any item of income or expenditure which exceeds one percent of the revenue from operations or Rs 1,00,000 whichever is higher		
	Expenditure - Agarbathi Division		
	Agarbathi Making and Packing Charges	1,25,76,739	1,70,22,288
	Advertisement and Sales Promotions	1,93,82,603	2,67,55,669
	Freight and Dispatch Expenses	1,18,51,731	78,12,547
	Trade Discount on Sales	12,99,28,817	12,44,16,676
	Turnover and Entry Taxes	3,22,76,464	3,46,17,211
	Expenditure - Hotel Division		
	Electricity Charges	1,83,92,888	42,40,136
	Fuel Expenses	1,19,76,825	15,85,802
	House Keeping Charges	3,03,76,137	2,88,62,323
	Turnover and Other Taxes	1,87,04,841	1,63,03,672
(d)	Interest income	1,36,493	10,27,200
(e)	Interest expenses	9,23,64,957	9,64,76,606
(f)	Dividend income	-	-
(g)	Net (gain) / loss on sale of investments	-	-
(h)	Adjustments to the carrying amount of investments	-	-
(i)	Net (gain) / loss on foreign currency transaction and translation (Other than finance cost)	-	-
(j)	Payment to auditors		



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

	8,42,700	11,60,647
(i) auditor	-	-
(ii) for taxation matters	-	-
(iii) for company law matters	-	-
(iv) for management services	-	-
(v) for other services	-	-
(vi) for reimbursement of expenses	-	-
	8,42,700	11,60,647
(k) Details of exceptional and extra-ordinary items		
(ii) (a) (i) Raw materials		
Raw Bathies and Bamboo sticks	4,04,58,983	4,58,54,734
Compounds	1,86,73,377	2,11,63,723
Chemicals, perfumes and others	4,46,08,623	5,05,57,783
Paper board	2,23,54,690	2,71,25,418
Posters and liners	75,71,750	91,87,641
Other packing materials	61,29,512	74,37,614
(ii) Goods purchased		
Purchase of durbar Bathies	43,53,27,614	37,52,68,752
(iii) Expenditure incurred of the following items, separately for each item		
(a) Consumption of stores and spare parts		
(b) Power and fuel	3,03,69,713	3,05,77,845
(c) Rent	73,25,702	66,94,022
(d) Repairs to buildings	12,26,797	23,37,729
(e) Repairs to machinery	36,81,789	12,06,670
(f) Insurance	20,37,405	23,74,889
(g) Rates and taxes, excluding, taxes on income	26,42,930	31,42,805
(h) Miscellaneous expenses	15,33,823	13,71,368
(iv) (a) Value of imports calculated on CIF basis in respect of		
(i) Raw Materials	-	-
(ii) Components and spare parts	-	-
(iii) Capital goods	-	-
(b) Expenditure in foreign currency		
(i) Travelling expenses	-	-
(c) Value of raw materials, spares and parts, components consumed:		
Imported	-	-
Indigenous	19,65,15,873	21,79,89,226
Total consumption	19,65,15,873	21,79,89,226
% of each to the total consumption		
Imported	0%	0%
Indigenous	100%	100%
(e) Earnings in foreign exchange		
i) Export of goods calculated on FOB basis	-	-
ii) Royalty, know-how, professional and consultation fees	-	-
iii) Interest and dividend	-	-
iv) Other income	-	-

Information with regards to clauses (ii)(b) to(ii)(e), (iii),(iv),(v),(vii),and (viii)(d) of Para 5 of the general instructions for preparation of statement of profit and loss to the extent are either Nil or not applicable to the company.



Note No : 32

Sl No.	Particulars	As at 31.3.15	As at 31.3.14
	1. Contingent Liabilities		
I	“Claims against the Company not acknowledged as debts”	Nil	Nil
II	Bank guarantee Issued to departments by:		
a)	Andhra Bank- to Joint Commissioner of Sales Tax, Howrah	2,80,000	2,80,000
b)	State Bank of India - - to Commissioner of Customs Chennai - to Canteen stores Mumbai	8,00,000 40,20,000	8,00,000 40,20,000
c)	Corporation Bank- to canteen stores Department, Mumbai” to APTPC, Hyderabad to VUDA, Viskhapatnam to Commissioner of Customs Chennai	56,10,000 18,91,323 12,00,000 32,00,000	56,10,000 18,91,323 12,00,000 32,00,000
d)	Indian Overseas Bank- The Company has given corporate guarantee on behalf of its subsidiary Ambica Infraventures Pvt. Ltd., during the financial year 2010-11 the subsidiary has been sold to Mr. N. Srinivas The process of substitution of the said Corporate Guarantee by the new management of Ambica Infraventure Pvt. Ltd is in progress	15,29,50,713	15,29,50,713
e)	Demands under the Income-Tax Act, 1961, against which the Company has preferred appeals	2,24,80,200	1,63,56,820
	2. Deferred Tax In accordance with Accounting Standard-22 on “Accounting for Taxes on Income” issued by ICAI, the Company has accounted for Deferred Tax.		
	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	“Deferred Tax Liability/(Asset): On account of depreciation under Companies Act, 1956 and Income Tax Act, 1961 (Timing Difference)”	10	13



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

3. Directors' Travelling Expenses:

(Amount in lakhs)

	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	Domestic	2.56	1.33
	Foreign	-	2.19
4.	Employee Benefits: The company has provided for Gratuity Liability on an estimated basis		
5.	Segment Reporting: The following is Segment Report of the Company in accordance with Accounting Standard-17 on "Segment Reporting" Issued by ICAI.		

Segment Revenue

(Amount in lakhs)

	Particulars	For the Year Ended 31.3.15	For the Year Ended 31.3.14
	Agarbathi Division	9,327	8,973
	Hotel Division	2,241	2,241
	Windmill Division	51	54
	Increase/(Decrease) in stock	-219	-
	Total	11,400	11,269
	Less: Inter Segment Revenue		
	Net Sales/Income from Operation	11,400	11,269
	Segment Results		
	Agarbathi Division	987	876
	Hotel Division	79	167
	Windmill Division	51	54
	Total	1,117	1,097
	Less: Financial Charges	924	965
	Profit before Tax	194	132
	Capital Employed		
	Agarbathi Division	6,555	6,212
	Hotel Division	1,230	1,432
	Windmill Division	238	187
	Construction Division	362	362 b
	Total	8,384	8,193

The term "Segment Revenue" mentioned above included the following elements:

	Particulars	Accretion/ (Decretion) to Stock	Accretion/ (Decretion) to Stock
	Agarbathi Division	(218)	4
	Hotel Division	-	(4)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

6 Related Party Disclosures :

RELATIONSHIP INDEX	RELATED PARTY RELATIONSHIP	NAME	NATURE OF RELATIONSHIP	POSITION HELD
A	Holding Company, Subsidiary Company and Fellow Subsidiary Company	Nil	Nil	
B	Associates and Joint Ventures	Nil	Nil	
C	Individuals having control or significant influence and their relatives	Nil	Nil	
D	Key Management Personnel and Relatives	P V V P Krishna Rao A G N V S A Ramachandra Rao P I N V R Sudarshan A V Ambica Prasad A Rajeswara Rao A Ramanjaneyulu A B N V R A Hanuma A Janaki A Lalitha Kumari A P J Suneetha A Ramalakshmi A Satyamala A Siva Kumar P Satyavathi P A Y Madhavi A Santoshi A Lavanya	MD Director- Works Son of MD Brother of MD Brother of MD Brother's Son of MD Brother's Son of MD Daughter in Law of MD Brother's Wife of MD Daughter in Law of MD Brother's Wife of MD Brother's Wife of MD Brother's Son of MD Wife of MD Wife of Director Daughter in Law of MD Daughter in Law of MD	
E	Enterprises over which parties referred in (c) or (d) as stated above are having significant influence	Ambica Cinema Productions Pvt. Ltd.	P V V P Krishna Rao - A Ramanjaneyulu -	Director Director
		Ambica Bullions	A G N V S A Ramachandra Rao - A. Siva Kumar - A. Hanuma - P T N V R Sudarsan -	Partner Partner Partner Partner
		Ambica Delux Theatre	P V V P Krishna Rao - A V Ambica Prasad - A Rajeswara Rao - A Ramanjaneyulu -	Partner Partner Partner Partner
		Ambica Family Hodings	P V V P Krishna Rao - P T N V R Sudarsan - A G N V S A RamachandraRao - A V Ambica Prasad - A Rajeswara Rao - A Ramanjaneyulu - P A Y Madavi - A Janaki - A Lalitha Kumari - A P J Suneetha - A Ramalakshmi - A Satyamala - A Siva Kumar - P Satyavathi -	Partner Partner Partner Partner Partner Partner Partner Partner Partner Partner Partner Partner Partner Partner
		Sakthi Aromatic Chemicals	A G N V S A Ramachandra Rao - A Ramanjaneyulu -	Partner Partner
		Fine Aromas (P) Ltd.	A G N V S A Ramachandra Rao - A Hanuma - A Siva -	Director Director Director
		ACP Industries Ltd.,	A V Ambica Prasad - A Rajeswara Rao - A Ramanjaneyulu - P V V P Krishna Rao - A V Ambica Prasad - A Rajeswara Rao -	MD Director Director Director Director Director
		Ambica Windsun, Power Pvt. Ltd.		
		Ambica Trendset Pvt Ltd.,	A G N V S A Ramachandra Rao - A Hanuma -	Director Director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Transactions during the year

(Amount in Lakhs)

Relation ship Index	Name of the Related Party	Nature of Relationship	Nature of Transaction	For the year ended 31,2105
D	Ambica Krishna	MD	Remuneration	9.00
	Ambica Ramachandra Rao	Director	Remuneration	6.00
E	ACP Industries Ltd.	Enterprises over which parties referred in (C) or	1. Purchase of Durbar bathies	4,353
	Outstanding balances as at 31st March, 2015	(D) as stated above are having significant Influence	2. Trade cum Caution Deposit 3. Trade payables Dr Balance	1200 50
F	ACP Industries Ltd.	(D) as stated above are having significant Influence	2. Trade cum Caution Deposit 3. Trade payables Dr Balance	1200 50

7. Sundry debtors and creditors are subject to confirmations.

a) Construction Work at Vizag:

Having regard to the nature of industry, the unique nature of plant and machinery used by the Company for its operations. And further taking into account the technical expert opinion and as permitted by the Sch II of the Companies Act 2013 the useful life of plant and machinery for the purpose of charging depreciation is adopted as below w.e.f FY 2014-15.

Asset description	Useful life as per management's estimate	Useful as per sch II of the Companies Act 2013
Agarbathies division Plant & Machinery	15 years	10 years
Hotel Division - Empire Plant & Machinery	22 years	15 years

8 a) Construction Work at Vizag:

The Company has entered into a Licence agreement with APSRTC for construction of Commercial complex at Dwarakanagar Bus Station, Vizag on BOT basis for 30 years. The value of work in progress as on 31-03-2015 was Rs.1085.00 Lakhs.

b) Construction work at Vijayawada:



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

The Company has entered into a License agreement with APSRTC for construction of Commercial Complex at Old Bus stand, Vijayawada on BOT basis for 30 years. However, the Municipal Corporation of Vijayawada did not accord its permission for the construction of commercial complex at the allotted premises on the ground that the premises comes under Transport Zone but not of Commercial Zone. The company has already requested the said local authority to convert the premises into Commercial Zone from Transport Zone. Aggrieved by the decision of the Municipal Corporation Vijayawada, the company filed a Writ Petition vide W.P.No. 14449/09 before the Honourable High Court of Andhra Pradesh which is pending for disposal. Keeping the dispute in view the company is not paying the License fees to be payable as per the BOT agreement with the APSRTC. The Company is in discussion with APSRTC for amicable resolution of the dispute.

9 Investment in Vaibhav Skyscapes Ltd.,

During the Financial Year 2008-09, the company has transferred all its interest and investments in M/s. Vaibhav Skyscapes Pvt Ltd., to Vaibah Empire Pvt Ltd., and the formalities for the registration of the same are still pending.

10 Previous Years's figures have been regrouped/reclassified wherever necessary to confirm to the current year's classification.

As per our Report attached

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-
T.S.AJAI
Chartered Accountant
Membership No.025524

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Hyderabad
Date : 22.05.2015

Sd/-
AMBICA HANUMAN
CFO

E-VOTING

Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The voting period begins on Friday 25th September, 2015 at 10.00 AM and ends on Tuesday, 28th September, 2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
- (vi) For CDSL: 16 digits beneficiary ID,
- (vii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (viii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (ix) Next enter the Image Verification as displayed and Click on Login.
- (x) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (xi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (xii) After entering these details appropriately, click on "SUBMIT" tab.
- (xiii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xiv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xvi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xvii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xviii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xxi) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.co.in/> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
 - The Company has appointed Mr. Yellareddy Vootkuri, Practicing Chartered Accountant, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING (To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Ambica Agarbathies Aroma & Industries Limited.

I hereby record my presence at the 20th Annual General Meeting of the shareholders of Ambica Agarbathies Aroma & Industries Limited on TUESDAY 29th September, 2015 at 11.00 A.M. at the Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District Andhra Pradesh - 534001.

DP ID*	Reg.folio no.
Client ID*	No of shares

*Applicable if shares are held in electronic form

Name and Address of Member

Signature of Shareholder/ Proxy/
Representative (Please Specify)

**Form No. MGT-11
Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies (Management and Administration) Rules, 2014]**

CIN	L24248AP1995PLC020077
Name of the Company	AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED
Registered Office	At Shankar Towers, Powerpet, Eluru, West Godhavari District, Andhra Pradesh - 534002
Name of the Member	
Registered Address	
Email ID	
Folio No/ Client ID	DP ID.:

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1	Name:	
	Address	
	Email ID	Signature
	Or failing him	
2	Name:	
	Address	
	Email ID	Signature
	Or failing him	
3	Name:	
	Address	
	Email ID	Signature
	Or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual general meeting of the company, to be held on TUESDAY 29th September, 2015 at 11.00 A.M. at the Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District Andhra Pradesh - 534001. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl no	Resolutions	For	Against
1	Consider and adopt audited financial statements , reports of the board of Directors and Auditors		
2	Re-appointment of Sri Ambica Krishna Director who retires by rotation		
3	Appointment of statutory Auditor and Fix their Remuneration		
4	Adoption of New AOA		

Signed this day of 2015.

<p style="text-align: center;">Affix Revenue Stamp</p>
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Signature of shareholder:

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

STAMP




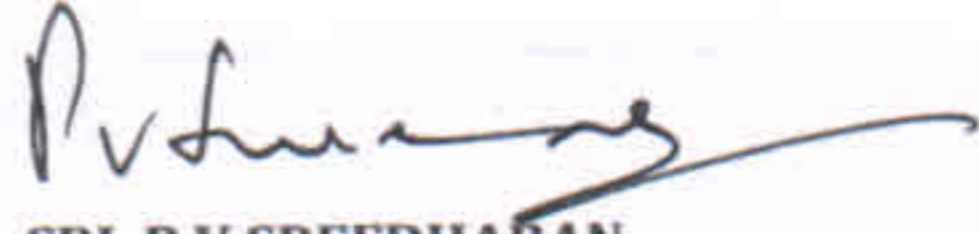
if undelivered please return to :

AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED
SHANKAR TOWERS, POWERPET,
ELURU, WEST GODAVARI DIST,
ANDHRA PRADESH

FORM A

COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES

1.	Name of the Company:	AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31.03.2015
3.	Type of Audit observation	<p>Matter of Emphasis</p> <p>1) The Company has internal control systems, which require improvement, commensurate with the size of the Company with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. and we have not come across any instances of continuing failure to correct major weakness in the internal control systems</p> <p>2) According to the information and explanations given to us and on the basis of our examination of the records of the company, we are of the opinion that there are delays in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Value added tax and other statutory dues with the appropriate authorities.</p> <p>3) As per the information furnished to us the amounts of Rs.6,23,674 lying with the company in unpaid dividend account which have remained unclaimed or unpaid for a period of 7 years or more have not been transferred to the investor education and protection fund</p> <p><i>BOARD OF DIRECTOR REPLY</i></p> <p>1. The Company is in the process of improving the Internal control Systems</p> <p>2. The Company is in the process of reconcile of the data with the relevant authorities and will ensure the compliance</p> <p>3. With regard to transferring of unpaid dividend to Investor Education Fund, Your board would like bring to your kind notice that the company is under the process of reconciliation of claims from the shareholders and transfer the unclaimed or unpaid dividend if any</p>
4.	Frequency of observation	

5.	<p>To be signed by-</p> <ul style="list-style-type: none">• Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	<p> SRI AMBICA KRISHNA</p> <p> SRI A. HANUMA</p> <p> T.S. AJAI Chartered Accountant Membership No. 025524</p> <p> SRI. P.V.SREEDHARAN</p>
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