



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

**19th Annual General Meeting
MONDAY 29TH SEPTEMBER, 2014**

At 11.00 AM.

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

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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BOARD OF DIRECTORS

SRI AMBICA KRISHNA
SRI AMBICA RAMACHANDRA RAO
SRI P. SREEDHARAN VENKATESAN
SRI P KISHORE THANDAVA

: Chairman and Managing Director
: Director
: Director
: Director

STATUTORY AUDITORS:

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

BANKERS:

CORPORATION BANK
Eluru Branch, ELURU

REGISTERED OFFICE:

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

ADMN OFFICE:

Ambica Empire
57, 100ft Road, Vadapalani
CHENNAI.

FACTORY:

- SATRAMPADU, ELURU.
- DUGGIRALA, ELURU

West Godavari Dist.,
Andhra Pradesh.

REGISTRARS & TRANSFER AGENTS:

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

LISTING AT:

National Stock Exchange of India Limited
BSE Limited



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of the Company will be held on **MONDAY 29TH SEPTEMBER, 2014 at 11.00 AM** at Registered Office of the Company at Shankar Towers, Powerpet, Eluru, West Godavari District, Andhra Pradesh - 534002 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 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 Ramachandra Rao, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint statutory auditors and to fix their remuneration by passing the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, Sri T. S. Ajai, Chartered Accountant, (M.No. 025524) be and are hereby appointed as the Statutory Auditor of the Company to hold the office from the conclusion of this Meeting for a period of 3 years, subject to ratification by the members at every Annual General Meeting, 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 March 31, 2015.”

SPECIAL BUSINESS

4. 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 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act, Mr. P. Sreedharan Venkatesan (DIN : 03453379), a Non-Executive Independent Director of the Company, who was liable to retire by rotation under the provisions of companies act 1956, who has submitted a declaration that he meets the criteria for Independent Director as provided in Section 149(6) of the Companies Act 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years, ”

5. 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 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act, Mr. P Kishore Thandava (DIN : 02398928), a Non-Executive Independent Director of the Company, who was liable to retire by rotation under the provisions of companies act 1956, who has submitted a declaration that he meets the criteria for Independent Director as provided in Section 149(6) of the companies Act 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years.

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

Sd/-

AMBICA KRISHNA

Chairman and Managing Director

Date : 14.08.2014

Place : Hyderabad



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTICE

- 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. The proxy in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
- 2) 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
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from **THURSDAY 25th SEPTEMBER, 2014 TO MONDAY 29TH SEPTEMBER, 2014** (both day inclusive)
- 4) Members are requested to quote ledger folio/dp id/client id number in all their correspondence to avoid delay in communication.
- 5) Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name.
- 6) Members/Proxies are requested to bring duly filed in attendance slips sent herewith for attending the meeting.
- 7) Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and also in respect of their physical share folios, if any to M/s. Venture Capital And Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad – 500018
- 8) 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 members facility to exercise their right to vote at the 19th 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):

Commencement of e - voting: From 10.00 A.M. on Monday, 22nd September, 2014 to 06.00 P.M. on Wednesday, 24th September, 2014

E-voting shall not be allowed beyond 06.00 P.M. on Wednesday, 24th September, 2014. During the e-voting period, shareholders of the Company, holding shares either in physical form, may cast their vote electronically

The login ID and password for e-voting along with process, manner and instructions for e-voting is being attached in the Annexure to this annual report

The Company has appointed Mr. B. Chagan Lal, Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

We would like to draw your attention to Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 ("Circular") issued by Securities and Exchange Board of India (SEBI), to all listed companies to update bank details of their shareholders holding shares in demat mode and / or physical form, to enable usage of the electronic mode of remittance i.e. ECS, NEFT etc., for distributing dividends and other cash benefits to the shareholders. The circular further states that in cases where either the Bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc., that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the Bank, Companies or their Registrars and Transfer Agents (RTA) may use physical payment instructions for making cash payments to the investors. Companies shall mandatorily print the Bank account details of the investors on such payment instruments.

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

Date : 14.08.2014
Place : Hyderabad

Sd/-
AMBICA KRISHNA
Chairman and Managing Director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item no. 4

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. as per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

Mr. P Sreedharan Venkatesan (DIN : 03453379) is a Non-Executive Independent Directors of the company he is also Chairman of Audit Committee, Remuneration Committee, and Investor's & Share Holders Grievances Committee of the Board of directors of the Company.

In terms of Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013, Mr. P Sreedharan Venkatesan, being eligible, offer himself for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. P Sreedharan Venkatesan, as Independent Directors on the Board of the Company for a term upto five (5) consecutive years, from ensuing Annual General Meeting. A brief profile of proposed Independent Director, including nature of their expertise, is provided in the Annual Report

Notices have been received from Members proposing candidate of the above Director for the office of Independent Director of the Company. In the opinion of the Board, Mr. P Sreedharan Venkatesan, fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board commends the Ordinary Resolution as set out at item no. 4 for approval of the Members

Item no. 5

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. as per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

Mr. P Kishore Thandava (DIN : 02398928) is a Non-Executive Independent Directors of the company he is also Member of Audit Committee, Remuneration Committee, and Investor's & Share Holders Grievances Committee of the Board of directors of the Company.

In terms of Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013, Mr P Kishore Thandava, being eligible, offer himself for appointment as Independent Directors on the



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. P Kishore Thandava, as Independent Directors on the Board of the Company for a term upto five (5) consecutive years, from ensuing Annual General Meeting. A brief profile of proposed Independent Director, including nature of their expertise, is provided in the Annual Report

Notices have been received from Members proposing candidate of the above Director for the office of Independent Director of the Company. In the opinion of the Board, Mr. P Kishore Thandava, fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board commends the Ordinary Resolution as set out at item no. 5 for approval of the Members

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

Place : Hyderabad
Date : 14.08.2014

Sd/-
AMBICA KRISHNA
Chairman and Managing Director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

Name of the Directors	Sri Ambica Ramachandra Rao	Sri P.Sreedharan venkatesan	Sri P Kishore Thandava
Date of first appointment	30/11/2001	14/02/2011	04/06/2008
Date of birth/age	04/02/1971	15/11/1937	03/12/1980
Expertise in specific functional areas	Purchase & Marketing	Finance	Marketing
Educational qualification Chairman/member of the committees of board of Directors of the company	Audit Committee Member Remuneration Committee Member -	Audit Committee Member Remuneration Committee Chairman Investor and Shareholder Grievance Committee Chairman	Audit Committee Member Remuneration Committee Member Investor and Shareholder Grievance Committee Member
List of Directorships, Committee Chairmanship, Membership held in other companies as on	FINE AROMAS PRIVATE LIMITED ANDHRA EXPRESS CARGO SERVICES PRIVATE LIMITED AMBICA TRENDSET PRIVATE LIMITED AMBICA ENTERTAINMENT PRIVATE LIMITED	Nil	Nil



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the 19th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2014

FINANCIAL RESULTS: (Rs.in lakhs)

PARTICULARS	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
Sales	11203.78	9943.45
Other Income	64.82	131.38
TOTAL Income	11268.60	10074.83
Expenditure	10761.50	9585.19
Profit before depreciation and Income tax	507.10	489.64
Depreciation	374.78	298.06
Net profit before tax	132.32	191.58
Provision for taxation		
a. Current tax	13.02	38.33
b. Deferred tax	13.46	23.83
Profit after tax	105.84	129.42

OVERALL PERFORMANCE OF THE COMPANY:

During the financial year under review the overall performance of the Company was good the overall turnover of the Company was Rs 11203.78 Lakhs as compare to Rs 9943.45 Lakhs and the Net profit was decreased to Rs 105.84 Lakhs as compare to Rs 129.42 Lakhs due to interest costs incurred in the newly started hotel at vizag.

When it comes to Segment wise performance of the Company the Turnover of the Agarbathies Division was Rs 8963.17 Lakhs as Compare to Rs 8303.01 Lakhs the Turnover of hotel division was Rs 2240.61 Lakhs as compared to Rs 1706.76 Lakhs and the Turnover of Windmill was 53.99 Lakhs as compared to 65.07 Lakhs and

in Construction Division many projects are in finishing stages and it has good future in coming years.

DIVIDEND :

Your Directors do not recommend any Dividend for the Financial Year 2013-2014 as the profits are planned to be ploughed back into the business operations.

PERSONNEL:

None of the Employees of the Company are drawing remuneration exceeding limits prescribed U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 2011.

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.

DIRECTORS:

Sri Ambica Ramachandra Rao Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Pursuant to the provision of Section 149 and applicable provision of the Companies Act, 2013 read with rules thereon all Independent Directors of the company are seeking fresh appointment for 5 consecutive years commencing from ensuing Annual General Meeting

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the directors of your Company hereby confirm that:



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- i. In preparation of annual accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departure, if any, there from;
 - ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2014 and of the profit and loss of the Company for that period;
 - iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
 - iv. The Directors have prepared the annual accounts on a going concern basis.
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
 4. With regard to the maintenance of Cost records, the Company is in the process of implementing of maintenance of cost records.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,

FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the information is given as hereunder:

- A. Conservation of Energy** – The present operation of the Company do 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)

AUDITORS:

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, the Statutory Auditor M/s. Sri T S Ajai, Chartered Accountant, Hyderabad, as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting for a period of 3 years in accordance with the Act, subject to the ratification of shareholders at every Annual General Meeting.. The Company is in receipt of confirmation from the Statutory Auditor that in the event of his re-appointment as Statutory Auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in Section 141 of the Companies Act, 2013.

REPLY TO THE AUDITORS OBSERVAIONS

1. With regard to the improvement of the Internal Control system, the Company is in the process of improving the Internal control Systems

	2013-14	2012-13
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil