

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 filled 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



AMBICA AGARBATHIES AROMA & 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.