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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BOARD OF DIRECTORS

SRI AMBICA KRISHNA	: Chairman and Managing Director
SRI AMBICA RAMACHANDRA RAO	: Director
SRI P. SREEDHARAN VENKATESAN	: Director
SRI P KISHORE THANDAVA	: Director

STATUTORY AUDITORS:

SRI T S AJAI, B.Com.,FCA
Chartered Accountant
304, Minar Aprtments,
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 Govdavari 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

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

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

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

Sd/-
AMBICA KRISHNA
Chairman and Managing Director

Date : 14.08.2014
Place : Hyderabad

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

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

Sd/-
AMBICA KRISHNA
Chairman and Managing Director

Place : Hyderabad
Date : 14.08.2014

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

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:

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.

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

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)

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

MANAGEMENT DISCUSSION AND ANALYSIS:

Aspects of Management Discussion and Analysis are enclosed as **Annexure - I** to this report

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.

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 : Hyderabad
Date : 14.08.2014

Annexure – I

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ECONOMIC & OUTLOOK OVERVIEW:

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. Agarbati also known, as Udubattis similar to joss sticks are a development of Dhup. Agarbattis 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.).

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 agarbathis. Agarbathies industry is one of the labour intensive cottage type of traditional industries in India Karnataka state leads in this industry. The main centres of manufacture are Mysore and Bangalore. As on today about 150 units exist in Andhra Pradesh. It is export-oriented unit also. 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

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 travellers 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.

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 rationalised. Further permits and licenses which are required for the hotel operations needs to be rationalised by offering a "single window“mechanism.

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 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.

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.

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.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The Company recognizes that people play a critical role in achieving its goals. As on 31st March, 2014, 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.

COMPANY OUTLOOK AND FUTURE OPERATIONS

AGARBATHIES DIVISION

The company has witnessed a significant increase in sales in the financial year under review when compared to the last year. The profit of the company is affected due to the operation costs of the new hotel started in vizag along with finance & employee cost and other expenses. The company has expertise professionals working as a team towards the growth of the organization.

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 400 distributors/ dealers, spread over the India developed over a period of years for marketing its products.

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 fiscial wherein we are expecting good business in coming years

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.

Annexure – II

REPORT ON CORPORATE GOVERNANCE

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 of your company consists of two Executive Directors and two Non Executive & Independent Directors.

S. No	Directors	Category	Attendance at AGM held on 29.09.2013	Attendance in Board Meeting		Other Boards		
				Held	Attended	Directorship Chairmanship	Committeeship	Committee member
	Sri Ambica Krishna	Chairman & Managing Director	3	5	5	3	Nil	Nil
	Sri Ambica Ramachandra Rao	Executive Director	4	5	5	4	Nil	Nil
	Sri P V Sreedharan	Non-Executive & Independent Director	Nil	5	5	Nil	Nil	Nil
	Sri P Kishore Thandava	Non-Executive & Independent Director	Nil	5	5	Nil	Nil	Nil

During the financial year 2013-2014, 5 (Five) Board Meetings were held on the following dates:

30/05/2013	24/08/2013	30/09/2013	23/10/2013	03/03/2014

3. AUDIT COMMITTEE:

Audit Committee of your company consists of following three Directors:

1.	P. V. Sreedharan	Chairman
2.	P. Kishore Thandava	Member
3.	Ambica Ramachandra Rao	Member

The committee met 5 times during the financial year 2013-14 on 30.05.2013, 24.08.2013, 30.09.2013, 14.11.2013 and 03.03.2014 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	5	5
3	P Kishore Thandava	Member	5	5
3	Ambica Ramachandra rao	Member	5	5

BROAD TERMS OF REFERENCE:

The broad terms of reference are:

(a) Reviewing with the management the internal control systems, observations of the auditors, half-yearly and annual financial statements before submission to the Board.

(b) Recommendation of matters relating to financial management and audit reports.

(c) 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.

(d) Reviewing and discussing with the Statutory Auditor and the internal Auditor about the internal control systems

(e) Reviewing the Compliance of the Listing Agreement and Various other legal requirement concerning financial statements and related party transactions

(f) Reviewing the operations, new initiatives and performance of the business divisions

(g) Reviewing major accounting polices and practices and adoption of applicable Accounting Standards

4. REMUNERATION COMMITTEE

✧ 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:

- The Remuneration Committee recommends to the board the compensation terms of the executive directors / non-executive directors

- 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

- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors

- Ensuring the remuneration policy is good enough to attract, retain and motivate directors

- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

✧ **Composition-name of members and Chairperson**

The Remuneration Committee constitutes of following directors:

1.	Sri P. V. Sreedharan	Chairman
2.	P. Kishore Thandava	Member
3.	Ambica Ramachandra Rao	Member

The committee met 2 times during the financial year 2013-14 on 30-09-2013 and 03-03-2014 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

✧ **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 2013-14 (in Rs.)	
		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

5. SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE:

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

To supervise and ensure:

(i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

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

(iii) Issue of duplicate / split / consolidated share certificates;

(iv) Allotment and listing of shares;

(v) Review of cases for refusal of transfer / transmission of shares and debentures;

(vi) Reference to statutory and regulatory authorities regarding investor grievances;

(vii) 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.	Sri. P. V. Sreedharan	Chairman
2.	P. Kishore Thandava	Member
3.	Ambica Krishna	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 readressed during the year:

Nature of Complaints	Year 2013-14		
	Received	Resolved	Pending
Total Complaints	12	12	NIL

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
2012-13	Monday, 30th September, 2013 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2011-12	Saturday, 29th September, 2012 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2010-11	Thursday, 29th September, 2011 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--

POSTAL BALLOT

The Company has conducted the postal ballot for the item specified as below dated 23.10.2013 and results were declared on 25th November, 2013 by the Chairman on the basis of the report submitted by the scrutinizer.

ITEM OF POSTAL BALLOT: Authorization To Board Of Directors Under Section 180 (1) (a) of the Companies Act 2013 to deal, negotiate, lease, sub-lease, assign, transfer convey and deliver the whole of its undertaking known as AMBICA SEA GREEN hotel located at Plot no. 01, Survey No.981, Waltair Ward in the Kirlampudi Layout at Beach Road, Visakhapatnam i,e., the Visakhapatnam Hotel Property to its wholly owned subsidiary M/s Ambica Trendset Private Limited

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

No. of Members Voted for the Resolution	No of Invalid Postal Ballot Forms	No. of Shares held by the Members who voted on the Resolution	Votes cast in favor of the Resolution	Votes Cast against the Resolution	% of Votes Cast in Favor of Resolution
96	--	11674137	11507688	166449	98.57%

- Result: "The aforesaid item of business is required to be passed by way of **"SPECIAL RESOLUTION"** and I hereby certify that the relevant resolution has been passed as "Special Resolution."

- Sri Ambica Krishna Chairman & Managing Director of the Company was authorized to conduct the postal ballot process and Sri VSSR Murthy Eranki, Practicing Company Secretary 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 19th Annual General Meeting.

7. Disclosures:

There are no materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.

There was no non-compliance by the Company during the last 3 years on any matter relating to capital markets and there were no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority.

The Company has belatedly complied some of the provision of Clauses of Listing Agreement

8. Means of Communication:

- Quarterly results:

Quarterly Results and Annual Results of the Company are normally published in The Business Standard and Andhra Bhoomi.

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:

• **AGM:** The 19th Annual General Meeting of the Company will be held on MONDAY, 29th SEPTEMBER, 2014 at Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh.

✦ **Financial Calendar:**

First Quarter Un Audited Results	Second week of August, 2014
Second Quarter Un Audited Results	Second week of November, 2014
Third Quarter Un AuditedResults	Second week of February, 2015
Fourth Quarter Audited Results	Last week of May, 2015

✦ **Book Closure Date : THURSDAY 25TH SEPTEMBER, 2014 TO MONDAY 29TH SEPTEMBER, 2014 (both days Inclusive)**

✦ **Dividend Date:** NA

✦ **Listing on Stock Exchanges** : The shares of the company are listed on
1. BSE Limited
2. National Stock Exchange of India Limited
3. The Madras Stock Exchange Limited*

*Delisting Application pending with the Stock Exchange.

Listing fee for the Financial Year 2013-14 has been paid to BSE Limited and National Stock Exchange of India Limited.

✦ **Scrip Code**

BSE - **Code:** 532335 **ID :** AMBICAGR
NSE - **Symbol:** AMBICAAGAR

✦ **Market Price Data:** During the last Financial Year 2013-2014

High and Low of the each month of the Company's Equity Shares during the last Financial Year 2013-14 at BSE Limited

Bombay Stock Exchange Limited		
Month	High	Low
April, 2013	5.23	3.04
May, 2013	4.50	3.04
June, 2013	3.74	2.46
July, 2013	3.88	2.96
August, 2013	4.30	3.15
September, 2013	3.48	2.21
October, 2013	3.03	2.39
November, 2013	3.30	2.62
December, 2013	3.25	2.33
January, 2014	4.60	2.82
February, 2014	4.40	3.24
March, 2014	4.85	3.09

During the financial year under review the script of the Company in NSE was suspended for belated compliances under clause 41 of listing agreement

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.

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

Shareholding pattern as on 31st March 2014:

Sl. No.	Category	No. of Shares Held	% of Shareholding
A 1.	**INDIAN PROMOTERS & PROMOTER GROUP**		
	Individuals/Hindu Undivided Family	8247779	48.02
	Central Government /State Governments		
	Bodies Corporate		
	Financial Institutions/Banks		
	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	0	0
	Foreign Venture Capital Investors		
	Any Other (Specify)		
	Sub Total B1	**0**	**0**
B2.	**Non Institutions**		
	Bodies Corporate	**2444204**	14.23
	Individuals		
	Individuals share holders holdings nominal share capital upto Rs. 1 Lakhs	3040757	17.70
	Individual Shareholding holding nominal share capital in excess of Rs. 1 Lakhs	3381290	19.68
	Any Other (Specify)		
	NRIs/OCBs	52685	0.31
	Foreign Collaborators		
	Clearing Members	10685	0.06
	Sub Total B2	**8929621**	**51.98**
	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:

Distribution of Shareholding as on 31st March, 2014

Sl. No.	Category From - To Rs Rs	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1	Upto - 5000	3794	72.57	7730980	4.50
2	5001 - 10000	708	13.54	6251150	3.64
3	10001 - 20000	329	6.29	5317830	3.10
4	20001 - 30000	121	2.31	3118270	1.82
5	30001 - 40000	41	0.78	1517520	0.88
6	40001 - 50000	52	0.99	2467330	1.44
7	50001 - 100000	80	1.53	5872460	3.42
8	100001 and above	103	1.97	139498460	81.20
	Total	**5228**	**100**	**171774000**	**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.

77.40% of total equity share capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2014.

CEO & CFO Certifications

The CEO & 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 Govdavari Dist, Andhra Pradesh

✦ Address for correspondence

Both physical and demat:

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

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

DECLARATION OF THE MANANGING 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 2013-14.

Sd/-
Ambica Krishna
Chairman & Managing Director

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

I, Ambica Krishna, Chairman & Managing Director of Ambica Agarbathies Aroma & Industries Ltd., to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Statement of Profit and Loss and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2014

2. To the best of my 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 a 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 my knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

4. I accept responsibility for establishing and maintaining internal controls for financial reporting. I 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) I am 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.

Sd/-
Ambica Krishna
Chairman & Managing Director

Place: Hyderabad
Date: 14.08.2014

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, 2014 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.

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.

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

Place: Chennai
Date: 30.05.2014

Auditors' Report to the Members of Ambica Agarbathies Aroma & Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ambica Agarbathies Aroma & Industries Limited ("the Company"), which comprises the Balance Sheet as at 31 March 2014 the Statement of Profit and Loss and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, , but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;

ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss and cash flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and

e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Place: Chennai
Date :30.05.2014

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 2014)

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.

(c) In our opinion, and according to the information and explanations given to us, fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.

ii. (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(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 were 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 andexplanations given to us:

(a) The company has made trade deposit of Rs. 12,00,00,000/-, which is disclosed as Long term loans and advances in Balance Sheet as at 31.03.2014, to one Company covered in the register maintained under Section 301 of the Companies Act, 1956. 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 Rs. 12,00,00,000/-.

(b) In our opinion, the rate of interest and other terms and conditions of such trade deposit (loans) given by the company are not, prima facie, prejudicial to the interest of the company.

(c) In the case of trade deposit (loans) given to company listed in the register maintained under section 301, the borrowers have been regular in repaying the principal amounts as stipulated and in the payment of interest.

(d) There is no overdue amount in excess of Rs.1,00,000/- in respect of trade deposit (loans) given by the company, to the parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(e) The Company has not taken any loans, secured or unsecured, from the companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the requirements of clause (iii) (e), (f) and (g) of paragraph 4 of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the company has internal control procedures, 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. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding a value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of the paragraph 4 of the order are not applicable to the Company.

vii. In our opinion, the internal audit system of the company needs to be strengthened commensurate with the size and nature of its business.

viii. The maintenance of the cost records is made mandatory for Agarbhaties division vide notification no. G.S.R.429(E) dated 3 June 2011 issued by the Ministry of Corporate affairs. The Company has not maintained cost records as required by the above said notification.

ix. (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, Service tax and other statutory dues with the appropriate authorities.

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 2014 for a period of more than six months from the date they became payable.

Sl	Particulars	Period to which amount relates	Amount No
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
6	Income tax	2013-14	13,01,290

As per the information furnished to us the amounts of Rs.6,23,674 Lakhs 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 account of the Central Government as required by Sec 205A (5) of the Companies Act, 1956.

(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 2014 by the Company on account of dispute.

Name of the Statue	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	87,75,480/-	AY 2003-04	CIT(A), Chennai, Tamil Nadu.
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.

x. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year

xi. 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 institutions except that in the case of loans due to the banks, installment payments aggregating to Rs.4,47,56,886 were repaid with a delay ranging from 1 to 85 days. The Company did not have any outstanding debentures during the year.

xii. In our opinion, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the company is not in the business of chit funds or nidhi / mutual benefit fund / society. Accordingly, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the order are not applicable to the Company.

xv. 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 others from banks or financial institutions are not prejudicial to the interest of the company.

The Company has given corporate guarantee to Indian Overseas Bank on behalf of Ambica Infraventures Pvt. Ltd., which was a subsidiary of the company at the time when the Corporate Guarantee was issued by the company. We are informed by the Company that the process of substitution of the said Corporate Guarantee by the new management of Ambica Infraventures Pvt. Ltd., is in progress.

xvi. In our opinion and according to the information and explanations given to us, and on a 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.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short term basis have not been used for long term investments.

xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix. According to the information and explanations given to us the Company did not issue any debentures and did not have any outstanding debentures during the year.

xx. According to the information and explanations given to us, the Company has not raised any money by issue of shares to public during the year.

xxi. 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 : Chennai
Date : 30.05.2014

BALANCE SHEET AS AT 31ST MARCH , 2014

Particulars	Note No	As at 31.3.2014 Rupees	As at 31.3.2013 Rupees
I EQUITY AND LIABILITIES			
1 Share holders funds			
(a) Share capital	2	171,294,623	171,294,623
(b) Reserves and surplus	3	173,635,527	161,611,258
(c) Money received against share warrants		-	-
		344,930,150	**332,905,881**
(2) Share application money pending allotment	**4**	**199,685**	**199,685**
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	381,655,395	412,292,214
(b) Deferred tax liabilities (Net)	6	46,469,094	45,123,333
(c) Other long-term liabilities	7	105,366,270	45,366,270
(d) Long-term provisions	8	415,872	54,709,311
		533,906,631	**557,491,128**
(4) Current Liabilities			
(a) Short-term borrowings	9	256,676,516	235,166,223
(b) Trade payables	10	42,212,688	42,532,586
(c) Other current liabilities	11	17,233,757	21,641,016
(c) Short-term provisions	12	16,418,319	7,552,796
		332,541,280	**306,892,620**
TOTAL		**1,211,577,747**	**1,197,489,314**
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	13.1	419,501,926	439,148,399
(ii) Intangible assets	13.2	11,726	114,126
(iii) Capital work-in-progress	13.3	120,944,682	120,944,682
		540,458,334	**560,207,207**
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	14	152,187,158	194,614,224
(e) Other non-current assets	15	-	-
		692,645,493	**795,725,102**
(2) Current assets			
(a) Current investments			
(b) Inventories	16	144,402,066	145,353,572
(c) Trade receivables	17	73,166,668	63,119,917
(d) Cash and cash equivalents	18	7,334,526	8,029,077
(e) Short-term loans and advances	19	250,324,981	178,698,511
(f) Other current assets	20	43,704,013	47,466,808
		518,932,254	**401,764,212**
Division Balances		-	0
TOTAL		**1,211,577,747**	**1,197,489,314**
III. 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

Place : Chennai
Date : 30.05.2014

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014

	Particulars	Note No	For the Year Ended 31.3.2014 Rupees	For the year Ended 31.3.2013 Rupees
I.	**Revenue from operations**	**21**	1,120,378,107	994,345,170
II.	Other income	22	6,482,156	13,138,427
III.	**TOTAL REVENUE (I+II)**		**1,126,860,263**	**1,007,483,597**
IV.	**Expenses:**			
	(a) Cost of materials consumed	23	217,989,226	187,100,959
	(b) Purchases of stock-in-trade	24	375,268,752	374,980,243
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	29,921	(1,125,456)
	(d) Employee benefits expense	26	22,328,823	14,299,337
	(e) Finance costs	27	96,476,606	78,087,994
	(f) Depreciation and amortisation expense	13	37,477,717	29,805,929
	(g) Other expenses	28	364,057,595	305,176,752
	TOTAL EXPENSES		**1,113,628,639**	**988,325,758**
V.	**PROFIT BEFORE TAX (III-IV)**		**13,231,624**	**19,157,839**
VI.	**Tax expense:**	29		
	(i) Current tax		1,301,589	3,833,056
	(ii) Deferred tax		1,345,761	2,382,711
			2,647,350	6,215,764
VII.	**PROFIT (LOSS) FOR THE PERIOD (V-VI)**		**10,584,274**	**12,942,075**
VIII.	**Earnings per equity share : Basic and diluted**	30	**0.62**	**0.76**
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. : 25524

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Chennai
Date : 30.05.2014

CASH FLOW STATEMENT FOR THE YEAR 2013-2014

Particulars	As at 31.03.2014 (Rs)	As at 31.03.2013 (Rs)
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	1,32,31,625	1,91,57,839
Adjustment for :		
Interest Expenditure	9,64,76,606	7,80,87,994
Interest Income	-1,027,200	-57,63,533
Depreciation	3,74,77,717	2,98,05,929
Other Non Cash Exp	14,40,000	4,80,000
	134,367,123	10,26,10,390
Operating profit before working capital changes	**14,75,98,747**	**12,17,68,229**
Changes in working capital		
Adjustments for :		
Decrease / (Increase) in Inventories	13,66,841	61,07,966
Decrease / (Increase) in Trade Receivables	-10,709,942	-50,56,954
Decrease / (Increase) in Other Current Assets	37,62,794	-26,14,786
Increase / (Decrease) in Other Current Liabilities and provisions	94,05,149	77,29,768
Increase / (Decrease) in Trade payables	-3,19,898	138,66,992
	35,04,944	2,00,32,987
Cash generated from operations	**15,11,03,691**	**14,18,01,216**
Taxes paid (Net of refund)	-	-56,66,369
Net Cash generated from Operating Activities	**15,11,03,691**	**13,61,34,847**
II. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	10,27,200	57,63,533
Purchase of Tangible / Intangible assets	-1,95,12,906	-13,04,16,440
Proceeds from sale of fixed assets	14,90,000	
Decrease / (Increase) in Loans and Advances	-2,91,99,405	-1,52,34,575
Net cash used in Investing activities	-4,61,95,111	-13,98,87,482
III. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long term borrowings	-306,36,819	5,12,04,357
Increase / (Decrease) in Short term borrowings	2,15,10,294	3,36,28,736
Interest paid	-9,64,76,606	-7,80,87,994
Net cash provided by / (used in) financing activities	**-10,56,03,131**	**67,45,098**
Net Increase / (Decrease) in cash and cash equivalents (I+II+III)	**-6,94,551**	**29,92,469**
Opening balance of cash and cash equivalents	80,29,077	50,36,608
Closing balance of cash and cash equivalents	73,34,526	80,29,077
Increase / (Decrease) in cash or cash equivalents	**-694,551**	**2,992,469**

Cash and cash equivalents comprise of:		
Cash on hand	23,56,749	4,316,698
Cheque on hand		
Balances with banks	49,77,777	3,712,434
Total	**73,34,526**	**8,029,132**

IV. NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1-32**

As per our Report of even date

Sd/-
T.S. Ajai
Chartered Accountant
Membership No. : 25524

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-
AMBICA KRISHNA
Director

Sd/-
AMBICA RAMACHANDR RAO
Director

Place : Chennai
Date : 30.05.2014

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-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 at 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 recognized on transfer of risk and reward of ownership to the buyer.

Interest Income is recognized 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.

Note No. : 2 SHARE CAPITAL

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2014		As at 31st March, 2013	
		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	1,71,77,4000	1,71,77,400	1,717,74,000
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, 2014		As at 31st March, 2013	
		No. of Shares	Amount	No. of Shares	Amount
I	**Equity Shares** At the beginning of the period Add: Issued during the period "Less: Brought back 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.

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, 2014		As at 31st March, 2013	
		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 Ramachandra 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, 2014	As at March31, 2013
(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	11,86,66,228	10,57,24,150
	Add: Profit for the year	1,05,84,274	1,29,42,078
	Less: Utilised during the year		
	Closing balance	**12,92,50,502**	**11,86,66,228**
(e)	**(i) Agarbathi Division**		
	Misc Expenses Not Written off	14,40,000	19,20,000
	Balance brought forward from previous year	-	-
	Add: Profit for the year	14,40,000	(4,80,000)
	Less: Utilised/transferred during the year		
	Closing balance	**-**	**14,40,000**

(Amount in ₹)

	(ii) Hotel Division		
	Misc Expenses Not Written off		
	Balance brought forward from previous year	1,02,529	1,02,529
	Add: Profit for the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	**1,02,529**	**1,02,529**
	Total of Misc Expenses Not Written off (i+ii)	**1,02,529**	**15,42,529**
	Total Reserves and Surplus (a+b+c+d-e)	**17,36,35,527**	**16,16,11,254**

Note No. : 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	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, 2014	As at March31, 2013
(a)	**Term Loans**		
	Secured		
	Agarbathi Division		
	- from banks	12,45,23,412	13,66,48,692
	- from other parties	4,00,58,855	3,91,18,594
		16,45,82,267	**17,57,67,286**
	Term Loans		
	Secured		
	Hotel Division		
	- from banks	17,94,37,368	20,10,23,749
	- from other parties	0	0
		17,94,37,368	**20,10,23,749**
	Total	**34,40,19,636**	**37,67,91,035**
	Note: Refer note c and d for repayment terms and details of securities pledged.		
(b)	**Others Loans and Advances**		
	(i) Agarbathi Division		
	Others (unsecured)		
	"Trade Deposits From Distributors Of Durbar Bathies "	91,82,720	88,41,720
	Trade Deposits From Distributors Of Scented	2,84,53,040	2,66,59,459
	(ii) Hotel Division		
	Trade Payable		
	Others		
	Total (i+ii)	**3,76,35,760**	**3,55,01,179**
	Grand Total (a+b)	**38,16,55,395**	**41,22,92,214**

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
	Agarbathi Division		
1	Corp Bank Agarbathi Machinery Tl-6	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
3	Vehicle Loans	62,07,325	Repayable in Monthly Installments

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
	Hotel Division		
1	Corp Bank New Hotel Renovation Tl -7	4,23,71,769	Repayable by September 2017, In Monthly Installments
2	Corp Bank New Hotel Construction,Vizag Tl -8	11,16,89,276	Repayable by October 2019, In Monthly Installments
3	Corp Bank New Hotel Construction, Vizag Tl -New	2,52,40,599	Repayable by April by 2020
4	Vehicle Loans	1,35,725	Repayable in Monthly Installments

(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
2	First Charge on Future Rent Receivables of the company.
3	Hypothecation/First Charge on assets financed by the bank and Financial Institutions.
	Hotel Division
1	Hypothecation by way of Exclusive First Charge on all the movable assets of the company
2	"First Charge on all movable assets of the company, EMG leasehold rights on plot no,1 survey no 1981,Waltair word to the extent of 1547.32 yards hypothecation by way of exclusive first charge on all movable assets of the hotel situated in vizag"
3	Hypothecation/First Charge on assets financed by the bank and Financial Institutions.
4	Inaddition to the above securities three directors of the company have given their personal guarantees.

(Amount in ₹)

(e) Delays in Repayment of Term loans

Loan	Range of No. of days of delay	Amount of installments
Corporation Bank TL-6	27.00	555244
Corporation Bank TL-7	30	3662998
Corporation Bank TL-5	4	200000
Corporation Bank TL-8	1 - 14	23313404
Indian Overseas Bank	20 - 85	17025240
Total	1 - 85	44756886

Note No. : 6 DEFERRED TAX LIABILITIES (NET)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Deferred Tax Liability	4,64,69,094	4,51,23,333
	Total	4,64,69,094	4,51,23,333

Note No. : 7 OTHER LONG TERM LIABILITIES

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Unsecured		
	Interest-free deposit fron related part	6,00,00,000	-
	Others		
	Agarbathi Division		
	Advances given to suppliers	92,00,000	92,00,000
		6,92,00,000	**92,00,000**
	Construction Division		
	- APSRTC - Vijayawada	2,31,48,063	2,31,48,063
	- APSRTC - Vizag	69,69,331	69,69,331
	- Other Advances	60,48,877	60,48,877
	Total	**3,61,66,270**	**3,61,66,271**
	Grand Total	**10,53,66,270**	**4,53,66,271**

Note No. : 8 LONG TERM PROVISIONS (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Agarbathi Division		
	Provision for Employee Benefits	-	2,72,437
	Provision for Others		
	- Provision for Income Tax	4,15,872	5,44,36,874
	Total	**4,15,872**	**5,47,09,311**

Note No. : 9 SHORT TERM BORROWINGS (Amount in ₹)

S. No.	Particulars	As at March 31, 2013	As at March31, 2012
	Agarbathi division		
	from Banks		
	Secured		
	Loans Repayable on Demand from Banks		
	-Corporation bank CC Loan	25,66,76,516	23,50,35,169
	Vehicle Loans (Secured)	-	1,31,053
	Total	**25,66,76,516**	**23,51,66,223**

Working Capital Loan of Rs.23,50.35 Lakhs (2015.37 Lakhs) from Corporation Bank, Eluru, is against the hypothecation of raw materials, stocks-in-process, finished goods, consumables, stores, spares etc., and book debts 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 Sudrsan, Ambica Ramachandra Rao and their relatives. During the year the bank has sanctioned adhoc cash credit limit of Rs.1.50 Crores for a period of 3 months from March, 2014.

Note No. : 10 TRADE PAYABLES (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division		
	Total O/s dues of Micro & Small Enterprises	0	0
	Sundry Creditors	2,55,63,118	2,90,15,669
	(b) Hotel Division		
	Total O/s dues of Micro & Small Enterprises	0	0
	Sundry Creditors	1,66,49,570	1,35,16,916
	(c) Construction Division		
	Total O/s dues of Micro & Small Enterprises	0	0
	Sundry Creditors	0	0
	Total	**4,22,12,688**	**4,25,32,586**

Note No. : 11 OTHER CURRENT LIABILITIES

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(i) Current Maturities of Long Term Debt		
	(ii) Unpaid Dividend	623,674	6,23,674
	(iii) Other Payables	-	0
	-TDS Payable	370,636	6,64,891
	-VAT/CST/Entry Tax Payable	752,110	7,14,942
	-Deposits received from customers		
	-Amount payable to margadarsi chit fund		
	Other Payables	5,743,266	52,41,049
	Total	**7,489,686**	**72,44,556**
	(b) Hotel Division		
	Other Payables		
	-TDS Payable	447,155	1,97,907
	-VAT/CST/Entry Tax Payable	1,173,911	8,72,230
	- Import Liquor Tax Payable	17,824	0
	- Luxury Tax Payable	482,408	3,63,196
	-Sales Tax Payable	-	1,051
	- Service Tax Payable	251,338	3,14,869
	-Other current Liabilities	5,147,562	1,04,23,333
	Total	7,520,198	1,21,72,587
	(c) Construction Division	-	-
	Other Payables		
	-TDS Payable	2,205,388	22,05,388
	-Other current Liabilities	18,485	18,485
	Total	**2,223,873**	**22,23,873**
	Grand Total (a+b+c)	**17,233,757**	**2,16,41,016**

13.1 : TANGIBLE ASSETS

Sl.No.		Particulars	GROSS BLOCK As at 01.04.2013 Rs.	Additions During the Year Rs.	Deductions during the year Rs.	As at 31.03.2014 Rs.	DEPRECIATION As at 01.04.2013 Rs.	For the Year Rs.	Deletions/ Rs.	As at 31.03.2014 Rs.	NET BLOCK As at 31.03.2014 Rs. Rs.	As at 31.03.2013
1.00	13.1.1	**Land**										
		Agarbathi Division	1568931	0	0	1568931	0	0	0	0	1568931	1568931
		Hotel Division	4214968	0	0	4214968	0	0	0	0	4214968	4214968
		Empire -Chennai	4214968	0	0	4214968	0	0	0	0	4214968	4214968
		SUB TOTAL	**5783899**	**0**	**0**	**5783899**	**0**	**0**	**0**	**0**	**5783899**	**5783899**
2.00	13.1.2	**Buildings**										
		Agarbathi Division	19481318	0	0	19481318	6402697	544522	0	6947219	12534099	13078621
		Hotel Division	175209748	110500	0	175320248	17042049	2875209	0	19917258	155402990	158167699
		Empire -Chennai	104371171	0	0	104371171	16558750	1701251	0	18260001	86111170	87812421
		Seagreen- Vizag	69797781	110500	0	69908281	146499	1139195		1285694	68622587	69651282
		Flavours-Vizag	1040796	0	0	1040796	336800	34763	0	371563	669233	703996.00
		SUB TOTAL	**194691066**	**110500**	**0**	**194801566**	**23444746**	**3419731**	**0**	**26864477**	**167937089.00**	**171246320**
3.00	13.1.3	**Plant & Machinery**										
		Agarbathi Division	171907998	628126	4452	172531672	83470188	11791680	0	95261868	77269804	88437810
		Hotel Division	83014902	2165327	0	85180228	25166721	3996849	0	29163570	56016658	57848181
		Empire -Chennai	54054293	960069	0	55014361	24244071	2590604	0	26834675	28179686	29810222
		Seagreen- Vizag	27064823	1187258	0	28252081	165540	1315540		1481080	26771001	26899283
		Flavours-Vizag	1895786	18000	0	1913786	757110	90705	0	847815	1065971	1138676
		SUB TOTAL	**254922900**	**2793453**	**4452**	**257711900**	**108636909**	**15788529**	**0**	**124425438**	**133286462**	**146285991**
4.00	13.1.4	**Furniture & Fittings**										
		Agarbathi Division	13389008	882278	0	14271286	5563713	703041	0	6266754	8004532	7825295
		Hotel Division	162160506	1184159	0	163344665	83104570	11459532	0	94564102	68780562	79055936
		Empire -Chennai	104002875	584999	0	104587874	81207307	5890164	0	87097471	17490402	22795568
		Seagreen- Vizag	56382256	399160	0	56781416	689717	5384283		6074000	50707416	55692539
		Flavours-Vizag	1775375	200000	0	1975375	1207546	185085	0	1392631	582744	567829
		SUB TOTAL	**175549514**	**2066437**	**0**	**177615951**	**88668283**	**12162573**	**0**	**100830857**	**76785094.00**	**86881231**
5.00	13.1.5	**Vehicles**										
		Agarbathi Division	41112543	13671397	1779606	53004334	19599428	4003679	0	23603107	29401227	21,513,115
		Hotel Division	12972757	106710	0	13079467	7166582	1161757	0	8328339	4751128	5,806,175
		Empire -Chennai	12733088	106710	0	12839798	7163650	1138988	0	8302638	4537160	5,569,438
		Seagreen- Vizag	239669	0	0	239669	2932	22769		25701	213968	236,737
		SUB TOTAL	**54085300**	**13778107**	**1779606**	**66083801**	**26766010**	**5165436**	**0**	**31931446**	**34152355**	**27,319,290**
6.00		**Others**	0			0	0			0	0	-
	13.1.6	**Computers**	0			0	0			0	0	-
		Agarbathi Division	3841902	546701	0.00	4388603	3614428	502142	0	4116570	272033	227,474
		Hotel Division	6615127	217709	0.00	6832836	5210933	336906	0	5547839	1284998	1,404,194
		Empire -Chennai	4897309	104414	0.00	5001722	4955662	46061	0	5001723	0	-58,353
		Seagreen- Vizag	1381187	113295	0.00	1494482	28830	236277		265107	1229375	1,352,357
		Flavours-Vizag	336632	0	0.00	336632	226441	54568	0	281009	55623	110,191
		SUB TOTAL	**10457029**	**764410**	**0.00**	**11221439**	**8825361**	**839048**	**0**	**9664409**	**1557031**	**1,631,668**
		TOTAL- TANGIBLE	**695,489,708**	**19,512,906**	**1,784,058**	**713,218,556**	**256,341,309**	**37,375,318**	**-**	**293,716,627**	**419,501,930**	**439,148,399**

13.2 : INTANGIBLE ASSETS

Sl.No.		Particulars	GROSS BLOCK As at 01.04.2013 Rs.	Additions/ During the Year Rs.	Deductions during the year Rs.	As at 31.03.2014 Rs.	DEPRECIATION As at 01.04.2013 Rs.	For the Year Rs.	Deletions/ Internal Transfers Rs.	As at 31.03.2014 Rs.	NET BLOCK As at 31.03.2014 Rs. Rs.	As at 31.03.2013
1	13.2.1	**Trade Marks**										
		Agarbathi Division	1024000	0	0	1024000	909874	102400	0	1012274	11726	114126
		SUB TOTAL	1024000	0	0	1024000	909874	102400	0	1012274	11726	114126
2	13.2.2	**Intangible Asset**	0			0	0			0	0	0
		Agarbathi Division	0	0	0	0	0	0	0	0	0	0
		Hotel Division	50000	0	0	50000	50000	0	0	50000	0	0
		Empire -Chennai	0	0	0	0	0	0	0	0	0	0
		Flavours-Vizag	50000	0	0	50000	50000	0	0	50000	0	0
		Seagreen- Vizag	0	0	0	0	0	0	0	0	0	0
		Construction Division	0			0	0			0	0	0
			0			0	0			0	0	0
		SUB TOTAL	**50000**	**0**	**0**	**50000**	**50000**	**0**	**0**	**50000**	**0**	**0**
		TOTAL- INTANGIBLE	**1074000**	**0**	**0**	**1074000**	**959874**	**102400**	**0**	**1062274**	**11726**	**114126**

13.3 : CAPITAL WORK-IN-PROGRESS

Sl.No.		Particulars	GROSS BLOCK As at 01.04.2013 Rs.	Additions/ during the Year Rs.	Deductions during the year Rs.	As at 31.03.2014 Rs.	DEPRECIATION As at 01.04.2013 Rs.	For the Year Rs.	Deletions/ Internal Transfers Rs.	As at 31.03.2014 Rs.	NET BLOCK As at 31.03.2014 Rs. Rs.	As at 31.03.2013
1	13.3.1	**Work in Progress**										
		Agarbathi Division	9,119	0		9,119	0	0	0	0	9,119	9,119
		Hotel Division	0	0	0	0	0	0	0	0	-	0
		Empire -Chennai	0	0	0	0	0	0	0	0	-	0
		Flavours-Vizag	0		0	0	0			0	-	0
		Seagreen Vizag	0	0	0	0	0	0	0	0	-	0
		Construction Division	12,09,35,563	0	0	12,09,35,563	0	0	0	0	120,935,563	12,09,35,563
		TOTAL-WIP	**12,09,44,682**	**0**	**0**	**12,09,44,682**	**0**	**0**	**0**	**0**	**120,944,682**	**12,09,44,682**
		GRAND TOTAL	**81,75,08,390**	**1,95,12,906**	**17,84,058**	**83,52,37,239**	**25,73,01,183**	**3,74,77,718**	**0**	**29,47,78,901**	**540,458,339**	**56,02,07,207**
			67,96,13,863	**7,43,71,660**	**12,82,412**	**67,96,13,863**	**22,74,95,254**	**2,67,41,160**	**0**	**22,74,95,254**	**56,02,07,207**	**45,21,18,609**

Note No. : 12 Short term Provisions (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Agarbathi Division		
	Provision for Employee Benefits	81,958	2,52,108
	Provision for Tax	72,71,607	-
		73,53,565	**2,52,108**
	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**

Note No. : 14 LONG - TERM LOANS & ADVANCES

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division		
	Unsecured, Considered good		
	Capital Advances		
	-Advance for capital project	-	-
	Security Deposits	11,251,722	12,725,181
	Loans and Advances to related Parties		
	-Trade Deposits	120,000,000	120,000,000
	Other Loans and Advances	638,681	42,109,928
	Total	**131,890,402**	**174,835,109**
	(b) Hotel Division		
	Unsecured, Considered good		
	Security Deposits	5,741,506	4,916,917
	Other Loans and Advances	8,805,923	9,112,870
	Total	**14,547,429**	**14,029,787**
	(c) Construction Division		
	Unsecured, Considered good		
	Security Deposits	5,749,327	5,749,327
	Other Loans and Advances		
	Total	**5,749,327**	**5,749,327**
	Grand Total (a+b+c)	**152,187,158**	**194,614,224**

Note No. : 15 OTHER NON CURRENT ASSETS

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	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	-	-

Note No. : 16 INVENTORIES
(At Lower of Cost and net realisable value) (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Agarbathi Division		
	(a) Raw Materials	107,315,548	107,671,798
	(b) Finished Goods	28,775,251	28,805,172
	(c) Stores and Spares	-	-
	(d) Packing Material	4,290,482	4,440,482
	Total	**140,381,281**	**140,917,452**
	Hotel Division		
	Stock-in-hand	4,020,785	4,436,120
	Total	**4,020,785**	**4,436,120**
	Grand Total	**144,402,066**	**145,353,572**

Note No. : 17 TRADE RECEIVABLES

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Agarbathi Division		
	(a) "Outstanding for a period exceeding six months from the date they are due for payment "		
	Secured, considered good	0	0
	Unsecured, considered good	100,048	1,03,159
		0	0
	(b) Others	0	0
	Secured, considered good	0	0
	Unsecured, considered good	67,244,834	5,54,37,749
	Total	67,344,882	5,55,40,908
	Hotel Division		
	a) "Outstanding for a period exceeding six months from the date they are due for payment "		
	Secured, considered good	0	0
	Unsecured, considered good	716,750	0
		0	
	b) Others	0	0
	Secured, considered good	0	0
	Unsecured, considered good	5,105,036	75,79,009
	Total	**58,21,786**	**75,79,009**
	Grand Total	**73,166,668**	**6,31,19,917**

Note No. : 18 CASH AND CASH EQUIVALENTS

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division		
	(i) Balances With Banks		
	- Current Accounts	5,520,574	30,23,208
	- Earmarked balances	178,536	1,78,536
	- Deposit amounts		
	(ii) Cheques,drafts on hand		
	(iii) Cash on hand	10,47,880	36,23,472
	Total	**67,46,990**	**68,25,217**

(Amount in ₹)

	(b) Hotel Division		
	(i) Balances With Banks		
	- Current Accounts	(769,894)	4,62,129
	- Earmarked balances	0	0
	- Deposit amounts	0	0
	(ii) Cheques,drafts on hand	0	0
	(iii) Cash on hand	1,281,958	6,66,315
	Total	**512,064**	**11,28,444**
	(c) Construction Division		
	(i) Balances With Banks		
	- Current Accounts	48,561	48,561
	- Earmarked balances	0	0
	- Deposit amounts	0	0
	(ii) Cheques,drafts on hand	0	0
	(iii) Cash on hand	26,911	26,911
	Total	**75,472**	**75,472**
	Grand Total	**7,334,526**	**80,29,132**

Note No. : 19 SHORT - TERM LOANS AND ADVANCES

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	-With ACP for supply of Durbar Bathis	180,000,000	125,403,672
	Share Application Money	3,00,00,000	3,00,00,000
	Loans and advances	0	0
	Others		
	With Statutory Authorities	75,153	75,153
	Other Loans and advances	19,538,608	2,674,686
	Total	**229,613,761**	**158,153,511**
	(b) Hotel Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	0	0
	Loans and advances	0	0
	Others		
	With Statutory Authorities	0	0
	Other Loans and advances	1,66,220	0
	Total	**1,66,220**	**0**

(Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(c) Construction Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	2,05,25,000	2,05,25,000
	Others		
	With Statutory Authorities	0	0
	Other Loans and advances	20,000	20,000
	Total	**2,05,45,000**	**2,05,45,000**
	Grand Total	**250,324,981**	**178,698,511**

Note No. : 20 OTHER CURRENT ASSETS (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Agarbathi Division		
	Interest Receivable	-	22,274
	Others	37,354,000	37,195,398
	Total	**37,354,000**	**37,217,672**
	Hotel Division		
	Interest Receivable	3,450,288	3,450,288
	Others	2,899,725	6,798,846
	Total	**6,350,013**	**10,249,134**
	Construction Division		
	Interest Receivable	-	-
	Others	-	-
	Total	**-**	**-**
	Grand Total	**43,704,013**	**47,466,806**

Note No. : 21 REVENUE FROM OPERATIONS (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division		
	(i) Sale of Products		
	Ambica Durbar Bathies	601,532,393	563,181,042
	Ambica Scented Bathies	294,675,591	259,940,068
	(ii) Other operating revenues	109,350	638,158
	Less: Excise Duty		
	Total	**896,317,334**	**823,759,267**
	(b) Hotel Division		
	(i) Sale of Products		
	Food Sales	112,377,014	73,633,321
	(ii) Sale of Services		
	Rent Receipts	49,954,625	30,905,919
	Hospitality Income	38,686,597	35,797,803
	(iii) Other operating revenues	23,042,538	30,248,859
	Less: Excise Duty		
	Total	**224,060,773**	**170,585,903**
	Grand Total (a+b)	**1,120,378,107**	**994,345,170**

Note No. : 22 OTHER INCOME

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division		
	Interest Income	946,519	56,76,921
	Dividend Income	0	0
	Net gain/ loss on sale of investments	0	0
	Other non-operating income	5,453,066	73,71,610
	Total	**63,99,585**	**1,30,48,530**
	(b) Hotel Division		
	Interest Income	80,681	86,612
	Dividend Income	0	0
	Net gain/ loss on sale of investments	0	0
	Other non-operating income	1,890	3,285
	Total	**82,571**	**89,897**
	Grand Total (a+b)	**64,82,156**	**1,31,38,427**

Note No. : 23 COST OF MATERIAL CONSUMED

(Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division		
	Opening Stock Raw Material	107,671,798	121,429,256
	Opening Stock Packing Material	4,440,482	94,693
		112,112,280	**121,523,949**
	Add: Purchases		
	Raw Material	117,219,990	99,968,770
	Packing Material	43,600,673	43,635,671
	Total	**160,820,663**	**143,604,441**
	Sub total	**272,932,943**	**265,128,390**
	Less: Closing Stock		
	Raw Material	107,315,548	107,671,798
	Packing Material	4,290,482	4,440,482
		111,606,030	**112,112,280**
	Total	**161,326,913**	**153,016,110**
	Hotel Division :		
	Opening Stock		
	Provisions and Other Raw Material	4,436,120	2,257,873
	Add: Purchases	56,246,977	36,263,096
	Sub total	**60,683,097**	**38,520,969**
	Less: Closing Stock		
	Provisions and Other Raw Material	4,020,785	4,436,120
	Total	**56,662,312**	**34,084,849**
	Grand Total (a+b)	**217,989,225**	**187,100,959**

Note No. : 24 PURCHASES OF STOCK-IN-TRADE (Amount in ₹)

S. No.	Particulars		As at March 31, 2014	As at March31, 2013
	Durbarbathi Purchased		375,268,752	374,980,243
			375,268,752	**374,980,243**

Note No. : 25 CHANGES IN INVENTORIES OF FINISHED GOODS (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Closing Balance	28,775,251	28,805,172
	Opening Balance	28,805,172	27,679,716
	Net increased/decreased	29,921	(1,125,456)

Note No. : 26 EMPLOYEE BENEFIT EXPENSES (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Employee Benefit Expenses Consist of the following :		
	(a) Agarbathi Division :		
	Salaries and Incentives	4,275,823	2,797,334
	Contribution to -		
	(i) Provident Fund	140,514	159,438
	(ii) Employee State Insurance	10,923	11,917
	(iii) Bonus	-	1,57,640
	(iv) Gratuity	-	15,000
	Staff welfare Expenses	355,168	166,021
	Total	**4,782,428**	**3,307,350**
	(b) Hotel Division :		
	Salaries and Incentives	15,334,099	9,468,091
	Contribution to -		
	(i) Provident Fund	490,496	348,397
	(ii) Employee State Insurance	233,301	158,597
	(iii) Bonus	598,006	371,871
	(iv) Gratuity	0	0
	Staff welfare Expenses	890,493	645,031
	Total	**17,546,395**	**10,991,987**
	Grand Total (a+b)	**22,328,823**	**14,299,337**

Note No. : 27 FINANCE COSTS

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division :		
	Interest expenses	60,973,047	58,931,642
	Other Borrowing Costs	3,906,141	2,830,278
	Applicable gain/loss on foreign currency transactions and translation	0	0
	Total	**64,879,188**	**61,761,920**
	(b) Hotel Division :		
	Interest expenses	30,009,468	15,080,542
	Other Borrowing Costs	1,587,950	1,245,531
	Applicable gain/loss on foreign currency transactions and translation	0	0
	Total	**31,597,418**	**16,326,073**
	Grand Total (a+b)	**96,476,606**	**78,087,994**

Note No. : 28 OPERATING AND OTHER EXPENSES

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	(a) Agarbathi Division		
	Agarbathi Making and Packing Charges	17,022,288	14,172,011
	Electricity Charges	4,240,136	3,391,774
	Fuel & Generator Maintenance	1,585,802	2,221,805
	Charities And Donations	559,813	822,636
	Consultancy Charges	214,354	430,942
	Insurance Premium	1,947,849	1,391,265
	Internal Auditors Expenses	-	-
	Audit Fee	1,160,647	842,700
	Listing Fee	137,000	44,944
	Miscellaneous A/C Balances W/O	1,440,000	(106,234)
	Miscellaneous Expenses	57,224	125,721
	Office Maintenance	119,968	76,314
	Postage And Courier	92,838	149,775
	Printing And Stationary	340,840	260,382
	Rates And Taxes	1,198,358	1,432,072
	Rent	926,516	529,692
	Repairs to Building	1,522,356	678,388
	Repairs to Machinery	2,874,138	1,689,656
	Repairs to Other Assets	738,929	880,013
	Share Registrar Fees	-	33,708
	Subscription	-	21,732

	Telephone And Communication Expenses	2,494,990	2,177,017
	Travelling And Conveyance Expenses	10,376,164	7,725,015
	Vehicle Maintenance	7,624,022	6,531,589
	Advertisement and Sales Promotions	26,755,669	21,663,986
	Freight and Dispatch Expenses	7,812,547	6,848,963
	Trade Discount on Sales	124,416,676	117,375,149
	Turnover and Entry Taxes	34,617,211	31,347,462
	Prior Period Adjustment	-	423,943
	Loss on Sale of Vehicles	-	-
	Bad debts written off	-	-
	Total	**250,276,335**	**223,182,419**
(b)	**Hotel Division :**		
	Publicity Expenses	88,400	-
	Computer Maintenance	288,594	223,428
	Consultancy Charges	332,070	250,854
	Conveyance	452,518	334,670
	Electricity Charges	17,644,588	12,961,827
	Fuel Expenses	12,933,257	10,150,832
	House Keeping Charges	28,862,323	19,160,560
	Insurance	427,040	424,355
	Kitchen Expenses	5,377,349	4,121,855
	Miscellaneous Expenses	1,314,144	2,754,173
	Postage and Courier Expenses	61,729	66,959
	Printing & Stationary	1,900,292	1,049,930
	Rates and Taxes	1,944,447	1,150,373
	Rent	6,694,022	3,175,666
	Repair to Building	6,969	-
	Repair to Machinery	1,206,670	1,035,491
	Repairs to Other Assets	7,143,187	3,460,893
	Newspaper and Subscriptions	534,790	377,188
	Telephone Expenses	1,542,672	1,067,963
	Transport Expenses	1,008,131	1,017,659
	Travelling Expenses	386,694	477,010
	Uniform and Linen	494,756	618,132
	Vehicle Maintenance	2,144,995	1,328,853
	Advertisement Expenses	3,904,001	2,973,364
	Discounts allowed	573,898	677,516
	Turnover and Other Taxes	16,303,672	13,134,779
	Loss on Sale of Vehicles	-	-
	Others	-	-
	ADDL.DEMAND ON SALES TAX 2007 TO 2011	2,216	
	DONATION	6,500	
	FOOD FESTIVAL EXPENSES	88,976	
	InternalAuditFee	112,360	
	Total	**113,781,260**	**81,994,332**
	Grand Total (a+b)	**364,057,595**	**305,176,751**

Note No. : 29 CURRENT TAX (Amount in ₹)

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Income tax for the year		
	Current tax	1,301,589	3,833,053
	Adjustment / (credits) related to Previous year-Net		
	Current tax	1,345,761	2,382,708
	Total	**2,647,350**	**6,215,761**

Note No. : 30 EARNINGS PER EQUITY SHARE : BASIC AND DILUTED

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	Profit after Tax	10,584,274	12,942,075
	No. of Equity Shares	17,129,462	17,129,462
	Face Value per Share	10	10
	Basic/(Diluted) Earning per Share	0.62	0.76

Note No. : 31 ADDITIONAL INFORMATION

S. No.		Particulars	For the year Ended 2014	For the year Ended 2013
(i)	(a)	**Employee benefit expenses (refer note 26)**	**22,328,823**	**14,299,337**
	(b)	Depreciation and amortization expenses (refer note 13)	37,477,717	29,805,929
	(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	17,022,288	14,172,011
		Advertisement and Sales Promotions	26,755,669	21,663,986
		Freight and Dispatch Expenses	7,812,547	6,848,963
		Trade Discount on Sales	124,416,676	117,375,149
		Turnover and Entry Taxes	34,617,211	31,347,462
		Expenditure - Hotel Division		
		Electricity Charges	4,240,136	12,961,827
		Fuel Expenses	1,585,802	10,150,832
		House Keeping Charges	28,862,323	19,160,560
		Turnover and Other Taxes	16,303,672	13,134,779

S. No.	Particulars	For the year Ended 2014	For the year Ended 2013
	(d) Interest income	1,027,200	5,763,533
	(e) Interest expenses	96,476,606	78,087,994
	(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	-	-
	(i) auditor	8,42,700	842,700
	(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	842,700
	(k) Details of exceptional and extra-ordinary items		
(ii)	**(a) (1) Raw materials**		
	Raw Bathies and Bamboo sticks	45,854,734	41,992,001
	Compounds	21,163,723	19,380,924
	Chemicals, perfumes and others	50,557,783	46,298,873
	Paper board	27,125,418	2,753,099
	Posters and liners	9,187,641	932,501
	Other packing materials	7,437,614	754,882
	(2) Goods purchased		
	Purchase of durbar Bathies	375,268,752	374,980,243
(iii)	**Expenditure incurred of the following items, separately for each item :**		
	(a) Consumption of stores and spare parts	-	-
	(b) Power and fuel	30,577,845	12,372,637
	(c) Rent	6,694,022	3,705,358
	(d) Repairs to buildings	2,337,729	678,388
	(e) Repairs to machinery	1,206,670	2,725,147
	(f) Insurance	2,374,889	1,815,620
	(g) Rates and taxes, excluding, taxes on income	3,142,805	2,582,445
	(h) Miscellaneous expenses	1,371,368	2,879,894

S. No.	Particulars	For the year Ended 2014	For the year Ended 2013
(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	217,989,226	187,100,959
	Total consumption	217,989,226	187,100,959
	% 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	0	0
	II. Royalty, know-how, professional and consultation fees	0	0
	III. Interest and dividend	0	0
	IV. Other income	0	0

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. NOTES FORMING PART OF ACCOUNTS

1. Contingent liabilities

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
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	280,000	20,000
	b) State Bank of India -		
	- to Commissioner of Customs Chennai	800,000	4,820,000
	- to Canteen stores Mumbai	4,020,000	Nil

S. No.	Particulars	As at March 31, 2014	As at March31, 2013
	c) Corporation Bank-		
	to canteen stores Department, Mumbai	5,610,000	4,770,000
	to APTPC, Hyderabad	1,891,323	2,048,156
	to VUDA, Viskhapatnam	1,200,000	1,200,000
	to Commissioner of Customs Chennai	3,200,000	20,000
	d) Indian Overseas Bank-	152,950,713	152,950,713
	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 substitutionof the said Corporate Guarantee by the new management of Ambica Infraventures Pvt. Ltd., is in progress		
	e) Demands under the Income-tax Act, 1961, against which the Company has preferred appeals.	1,63,56,820	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.

3. Directors travelling expenses (Amount in `)

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred Tax Liability/ (Asset): On account of depreciation under Companies Act, 1956 and Income Tax Act, 1961 (Timing Difference)	13	24

Particulars	For the year ending	
	31.03.14	31.03.13
Domestic	1.33	9.87
Foreign	2.19	

4. Employee Benefits:
The company has provided for Gratutity 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.

Particulars	For the year ending	
	31.03.14	31.03.13
Segment Revenue		
Agarbathi Division	8,973	8,303
Hotel Division	2,241	1,707
Windmill Division	54	65
Incerease/(Decrease) in stock	0	(11)
Total	11,269	10,086
Less: Inter Segment Revenue		-
Net Sales/Income from Operation	11,269	10,086
Segment Results		
Agarbathi Division	876	625
Hotel Division	167	306
Windmill Division	54	41
Total	**1,097**	**972**
Less: Financial Charges	965	781
Profit before Tax	132	192
Capital Employed		
Agarbathi Division	6,212	5,704
Hotel Division	1,432	2,264
Windmill Division	187	259
Construction Division	362	1,089
Total	**8,193**	**9,317**

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

(Amount in `)

Particulars	Accretion/ (Decretion) to Stock	Other Income
Agarbathi Division	4	(11)
Hotel Division	(4)	Nil

6 Related Party Disclosore :

RELATION SHIP 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	MD	
		A G N V S A Ramachandra Rao	Director- Works	
		P I N V R Sudarshan	Son of MD	
		A V Ambica Prasad	Brother of MD	
		A Rajeswara Rao	Brother of MD	
		A Ramanjaneyulu	Brother's Son of MD	
		A B N V R A Hanuma	Brother's Son of MD	
		A janaki	Daughter in Law of MD	
		A Lalitha Kumari	Brother's Wife of MD	
		A P J Suneetha	Daughter in Law of MD	
		A Ramalakshmi	Brother's Wife of MD	
		A Satyamala	Brother's Wife of MD	
		A Siva Kumar	Brother's Son of MD	
		P Satyavathi	Wife of MD	
		P A Y Madhavi	Wife of Director	
		A Santoshi	Daughter in Law of MD	
		A Lavanya	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 -	Director
			A Ramanjaneyulu -	Director
		Ambica Bullions	A G N V S A Ramachandra Rao -	Partner
			A. Siva Kumar -	Partner
			A. Hanuma -	Partner
			P T N V R Sudarsan -	Partner
		Ambica Delux Theatre	P V V P Krishna Rao -	Partner
			A V Ambica Prasad -	Partner
			A Rajeswara Rao -	Partner
			A Ramanjaneyulu -	Partner
		Ambica Family Hodings	P V V P Krishna Rao -	Partner
			P T N V R Sudarsan -	Partner
			A G N V S A RamachandraRao -	Partner
			A V Ambica Prasad -	Partner
			A Rajeswara Rao -	Partner
			A Ramanjaneyulu -	Partner
			P A Y Madavi -	Partner
			A janaki -	Partner
			A Lalitha Kumari -	Partner
			A P J Suneetha -	Partner
			A Ramalakshmi -	Partner
			A Satyamala -	Partner
			A Siva Kumar -	Partner
			P Satyavathi -	Partner
		Sakthi Aromatic Chemicals	A G N V S A Ramachandra Rao -	Partner
			A Ramanjaneyulu -	Partner
		Fine Aromas (P) Ltd.	A G N V S A Ramachandra Rao -	Director
			A Hanuma -	Director
			A Siva -	Director
		ACP Industries Ltd.,	A V Ambica Prasad -	MD
			A Rajeswara Rao -	Director
			A Ramanjaneyulu -	Director
		Ambica Windsun, Power Pvt. Ltd.	P V V P Krishna Rao -	Director
			A V Ambica Prasad -	Director
			A Rajeswara Rao -	Director
		Ambica Trendset Pvt Ltd.,	A G N V S A Ramachandra Rao -	Director
			A Hanuma -	Director

(Amount in Lakhs)

Relation ship Index	Name of the Related Party	Nature of Relationship	Nature of Transaction	Transaction Amount
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 (D) as stated above are having significant nfluence	1. Purchase of Durbar bathies	3,752.68
			2. Trade cum Caution Deposit	1200
			3. Advance for supply of Durbar Bathis	1800
			4. Trade payables Dr Balance	129.74
E	Ambica windsun power pvt. Ltd.,	– Do –	1. Interest free deposits	600.00
			Other payable	1.67

7. Sundry debtors and creditors are subject to confirmations.

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 company has entered into an agreement with M/s. Trinethra Infra Ventures Ltd., (TIVL), Hyderabad for construction of the said commercial complex and the value of works completed as on 31-03-2013 was Rs.567.26 Lakhs.

b) Construction work at Vijayawada:

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. However, the company is regular in making the required provisions in the books of account.

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 Hotel and Other Division:

The requirement regarding furnishing of quantitative details is not required to Hotel Division and Other Divisions , since they belong to service Industry.

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

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for and on behalf of the Board

As per our Report of even date

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
T.S.AJAI
Chartered Accountant

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Chennai
Date : 30.05.2014

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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 Monday 22nd September, 2014 at 10.00 AM and ends on Wednesday, 24th September, 2014 at 6.00 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 29th August 2014, 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

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) 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.

(viii) 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) • 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. • 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).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) 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.

(xix) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, 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.

(xx) 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.

In case of members receiving the physical copy:

(xxi) (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(xxii) Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting orphysical 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

(xviii). 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

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 19th Annual General Meeting of the shareholders of Ambica Agarbathies Aroma & Industries Limited on Monday 29th September, 2014 at 11.00 A.M. at the Registered Office of the Company at Shankar Towers, Powerpet, Eluru, West Godhavari District Andhra Pradesh - 534002.

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

*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 19th Annual general meeting of the company, to be held on the …… day of……. At……. a.m. / p.m. at…… (Place) 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 Ramachandra Rao Director who retires by rotation		
3	Appointment of statutory auditor and fix their remuneration		
4	Appointment of Sri P Sreedharan Venkatesan as independent Director		
5	Appointment of Sri P Kishore Thandava as independent Director		

Signed this ……. day of ……. 2014.

Affix
Revenue
Stamp

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.

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	31.03.2014
3.	Type of Audit observation	Matter of Emphasis Auditors Rep[ort 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 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. 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 4) The Company has not maintained Cost Records as required by the Notification issued by MCA ***BOARD OF DIRECTOR REPLY*** 1. The Company is in the process of improving the Internal control Systems 2. The Company is in the process of reconciliation 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. *The Company is in the process of implementing of maintenance of cost records.*

4.	Frequency of observation	
5.	To be signed by- • Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	SRI AMBICA KRISHNA T.S. AJAI Chartered Accountant Membership No.025524 SRI. P.V.SREEDHARAN