

18th

Annual Report

2012 - 2013



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**



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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

: Chairman and Managing Director
: Director
: Director
: Director

STATUORY AUDITORS:

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

BANKERS:

CORPORATION BANK
Eluru Branch, ELURU

REGISTERED OFFICE:

Shankar Towers
Powerpet, ELURU - 534 002.

ADMN OFFICE:

Ambica Empire
57, 100ft Road, Vadapalani
CHENNAI.

FACTORY:

- SATRAMPADU, ELURU.
- DUGGIRALA, ELURU

West Godavari Dist.,
Andhra Pradesh.

REGISTRARS & TRANSFER AGENTS:

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

LISTING AT:

National Stock Exchange of India Limited
BSE Limited



NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of the Company will be held on MONDAY 30TH SEPTEMBER, 2013 at 11.00 AM at Registered Office of the Company at Shankar Towers, Powerpet, Eluru, West Godavari District, Andhra Pradesh to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss 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 P Sreedharan Venkatesan, 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 Section 224(1) of the Companies Act, 1956, the retiring auditors Sri T. S. Ajai, Chartered Accountant be and is hereby re-appointed as the Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board”

for and on behalf of the Board

Sd/-

AMBICA KRISHNA

Chairman and Managing Director

Place : Hyderabad

Date : 24.08.2013

NOTES:

- 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 26TH SEPTEMBER, 2013 TO MONDAY 30TH SEPTEMBER, 2013 (both day inclusive)**
- 4) Members are requested to quote ledger folio/dpid/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 filled in attendance slips sent herewith for attending the meeting.

for and on behalf of the Board

Sd/-

AMBICA KRISHNA

Chairman and Managing Director

Place : Hyderabad

Date : 24.08.2013



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the 18th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2013

FINANCIAL RESULTS: (Rs.in lakhs)

PARTICULARS	YEAR ENDED	
	31.03.2013	31.03.2012
Sales	9943.45	8542.38
Other Income	131.38	114.99
TOTAL Income	10074.83	8657.37
Expenditure	9585.20	8138.27
Profit before depreciation and Income tax	489.63	519.10
Depreciation	298.05	267.41
Net profit before tax	191.58	251.69
Provision for taxation		
a. Current tax	38.33	73.29
b. Deferred tax	23.83	(9.91)
Profit after tax	129.43	188.31

OVERALL PERFORMANCE OF THE COMPANY:

During the financial year under review the overall performance of the Company was good the overall turnover has increased to Rs 9943.45 Lakhs as compare to Rs 8542.38 Lakhs and the Net profit was decreased to Rs 129.43 Lakhs as compare to Rs 188.31 Lakhs due to operational losses 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 8303.01 Lakhs as Compare to Rs 7144.57 Lakhs and the Turnover of hotel division was Rs 1706.76 Lakhs as compared to Rs 1455.77 Lakhs and the turnover in Construction Division(Windmill) was 65.07 lakhs as compared

to Rs. 57.03 lakhs, other projects are in finishing stages.

DIVIDEND

Your Directors do not recommend any Dividend for the Financial Year 2012-2013 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:

Your company has not accepted any deposits falling under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 during the year.

DIRECTORS:

Sri P Sreedharan Venkatesan Director of the Company retires by rotation at the ensuing annual general meeting and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In preparation of annual accounts for the financial year ended 31st March, 2013 the applicable accounting standards have been followed along with proper explanation relating to material departure, if any, there from;
- The directors have selected such accounting policies and applied them consistently and



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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 2013 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:

The Statutory Auditor, Sri T S Ajai, Chartered Accountant, hold office till the conclusion of ensuing 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 224 (1B) of the Companies Act, 1956.

Reply to Auditors Qualification

1. With regard to the deposit of Amounts to statutory Authorities (Point No. 9 (a) of the Auditors Reports). Your Board would like to bring to your kind notice that due to liquidity problem the company has delayed in depositing the amount.
2. 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 names of share holders and transfer the same.

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)	
	2012-13	2011-12
Foreign Exchange earnings	Nil	15.21
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 AMBICA AGARBATHIES AROMA
AND INDUSTRIES LIMITED**

Sd/-

AMBICA KRISHNA

Chairman and Managing Director

Place : Hyderabad
Date : 24.08.2013

ADDITIONAL INFORMATION ON DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

SRI P SREEDHARAN VENKATESAN

Sri P Sreedharan Venkatesan professional Chartered Accountant with 2 Decade of experience is a Non-Executive Independent Director and chairman of Audit Committee of the company having vast experience in the field of finance, which has helped the Company in strategy financial decision.

He is Chairman & member of the Committees of the company and holds no equity shares in the Company.

He is neither a director nor member of any other committee or company apart from our Company



Annexure – I

**MANAGEMENT DISCUSSION AND ANALYSIS
MACRO ECONOMIC OVERVIEW:
AGARBATHIES DIVISION**

India has a rich tradition of incense making that goes back millennia. Incense sticks, also known as agarbathi (or agarbatti) and joss sticks, in which an incense paste is rolled or moulded around a bamboo stick, is one of the main forms of incense in India. The bamboo method originated in India, and is distinct from the Nepal/Tibet and Japanese methods of stick making which don't use a bamboo core. Though the method is also used in the west, particularly in America, it is strongly associated with India. Other main forms of incense are cones and logs or dhoops, which are incense paste formed into pyramid shapes or log shapes, and then dried.

A uniform and codified system of incense-making first began in India. Although Vedic texts mention the use of incense for masking odors and creating a pleasurable smell, the modern system of organized incense-making was likely created by the medicinal priests of the time. Thus, modern, organized incense-making is intrinsically linked to the Ayurvedic medical system in which it is rooted.

In all religious occasions, incense sticks commonly known as agarbathies serves as a link between god and devotee. It has been used in prayers, to pay homage to the Gods, purify the air, to uplift the spirits of an individual, induce self-awareness and to get rid of any kind of negative vibrations. In addition to economic development, agarbathi industry is also contributing to social welfare by making optimum use of waste products in its manufacturing process. Agarbathies industry is one of the labor intensive industries and hence generates lot of employment opportunities especially for weaker sections of the society. Agarbathies industry in India is also exploring itself in global market, thereby contributing to growth of foreign trade.

HOTEL DIVISION

The tourism and hospitality industry of India is thriving and growing at a fast pace. The country's travel and tourism industry is one of the most profitable industries in the country,

and is credited with contributing a substantial amount of foreign exchange. India's rich cultural heritage, traditions, festivals, food, architectural monuments, hospitality and services are positive strengths for its tourism sector.

Hotels are an important component of the tourism product. They contribute in the overall tourism experience through the standards of facilities and services offered by them. With international tourism increasing year-on-year (y-o-y) and the continued strength of domestic tourism, India will see incredible opportunities for growth.

The Indian tourism sector needs an urgent image makeover and higher investment in infrastructure, including through public-private partnership (PPP) mode to capitalize on opportunities provided by overall growth in world tourist arrivals, according to the Economic Survey 2012-2013.

According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC), the demand for travel and tourism in India is expected to grow by 8.2 % between 2010 and 2019. This will place India at the third position in the world. India's travel and tourism sector is expected to be the second largest employer in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019. The report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020.

CONSTRUCTION DIVISION

The Indian real estate and construction industry is an integral part of Indian economy and plays an important role in the development of the country's infrastructure base. The contribution of the real estate sector to India's gross domestic product (GDP) has been estimated at 6.3 per cent in 2013, and the segment is expected to generate 7.6 million jobs during the same period. It is also expected to generate over 17 million employment opportunities across the country by 2025.

The sector comprises of four sub-sectors- housing, retail, hospitality, and commercial.



While housing contributes to five-six percent of the country's GDP, the remaining three sub-sectors are also growing at a rapid pace, meeting the increasing infrastructural needs

India's economic growth is expected to pick up a faster pace in 2013-14 and record six per cent plus levels of gross domestic product (GDP), according to Mr C Rangarajan, Chairman, Prime Minister's Economic Advisory Council (PMEAC).

India was reported to expand at a better rate as compared to its three BRIC peers China, Russia and Brazil in May 2013, as per a survey by HSBC. India was also ranked amongst the top 20 real estate investment markets globally with investment volume worth Rs 190 billion (US\$ 3.05 billion) recorded in 2012, according to Cushman & Wakefield's report 'International Investment Atlas'.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The control system of the Company consists of standard practices and procedures, appropriate audit program and risk monitoring system. The Company is constantly engaged in making further improvements to the existing control systems of the Company.

The Board of Directors has been entrusted with the responsibility of reviewing the findings and to investigate and take necessary actions wherever required.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

Human resources are the backbone of any Company without whom nothing can be accomplished. Your Company has introduced various training and development programmes for its employees which will enable them to perform their functions more efficiently. The Company has further adopted various innovative HR policies to gear up to face future challenges and to create a performance driven innovative and flexible organization. The Company has an excellent track record of maintaining cordial industrial relations right from its inception. This year too industrial relations in the Company were excellent.

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 profits of the company have decreased due to increase in operation costs of the new hotel started in vizag, inance & 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 300 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 and Company has started a new Hotel in the city of Vizag named as "AMBICA SEA GREEN" and the response was more than expectation.

AWARDS

Company has received many awards for the hotel situated in Chennai as

Epicurus -The best Multicuisine restaurant in chennai 2013

TTF (Travel & Tourism Fair) - Award for excellence

Certified that Hotel Ambica Empire was the winner of the Best Valued Business Hotel Award at the 98th TTF, Ahmedabad Gujarat University Exhibition Hall 24th to 26th August 2012

CONSTRUCTION DIVISION

The Construction division was performance was satisfactorily in this fiscal and focusing on the ongoing projects in the hand



REPORT ON CORPORATE GOVERNANCE

Annexure – II

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

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

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

2. BOARD OF DIRECTORS:

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

Name of the Director	Category	No.of other Directorships	No of Meetings held	No of Meetings Attended	Whether attended last AGM
Sri Ambica Krishna	Chairman & Managing Director	2	5	5	Yes
Sri Ambica Ramchandra Rao	Executive Director	4	5	5	Yes
Sri P V Sreedharan	Non-Executive & Independent Director	Nil	5	5	Yes
Sri P Kishore Thandava	Non-Executive & Independent Director	Nil	5	5	Yes

During the financial year 2012-2013, 5 (Five) Board Meetings were held on the following dates:

14/05/2012	17/08/2012	04/10/2012	14/11/2012	12/02/2013
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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



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The committee met 5 times during the financial year 2012-13 on 14.05.2012, 17.08.2012, 04.10.2012, 14.11.2012 and 12.02.2013 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:

- Reviewing with the management the internal control systems, observations of the auditors, half-yearly and annual financial statements before submission to the Board.
- Recommendation of matters relating to financial management and audit reports.
- 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.
- Reviewing and discussing with the Statutory Auditor and the internal Auditor about the internal control systems
- Reviewing the Compliance of the Listing Agreement and Various other legal requirement concerning financial statements and related party transactions
- Reviewing the operations, new initiatives and performance of the business divisions
- 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- 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 2012-13 on 17.08.2012 and 14.11.2012 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 2012-13 (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

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 2012-13		
	Received	Resolved	Pending
Total Complaints	11	11	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
2011-12	Saturday, 29 th September, 2012 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2010-11	Thursday, 29 th September, 2011 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2009-10	Thursday, 30 th September, 2010 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--

POSTAL BALLOT

No resolution was passed through postal ballot during the year ended 31st March, 2013.

No Special Resolution is proposed to be conducted through Postal ballot at the ensuing 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 18th Annual General Meeting of the Company will be held on MONDAY, 30th September, 2013 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, 2013
Second Quarter Un Audited Results	Second week of November, 2013
Third Quarter Un Audited Results	Second week of February, 2014
Fourth Quarter Audited Results	Last week of May, 2014

♦ **Book Closure Date** : THURSDAY 26TH SEPTEMBER, 2013 TO MONDAY 30TH SEPTEMBER, 2013
(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 2012-2013

High and Low of the each month of the Company's Equity Shares during the last Financial Year 2012-13 at BSE Limited



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Bombay Stock Exchange Limited		
Month	High	Low
April, 2012	6.92	5.11
May, 2012	6.19	5.00
June, 2012	5.44	4.57
July, 2012	5.90	5.05
August, 2012	5.77	4.61
September, 2012	5.49	4.58
October, 2012	5.48	4.75
November, 2012	5.46	4.35
December, 2012	5.50	4.50
January, 2013	5.98	4.66
February, 2013	5.78	4.63
March, 2013	5.05	3.10

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Shareholding pattern as on 31st March 2013:

Sl. No.	Category	No. of Shares Held	% of Shareholding
A 1.	INDIAN PROMOTERS & PROMOTER GROUP Individuals/Hindu Undivided Family Central Government /State Governments Bodies Corporate Financial Institutions/Banks	8247779	48.02
	Sub Total of A1	8247779	48.02
A2.	FOREIGN Individuals (Non-Residents) Individuals (Foreign Individuals) Bodies Corporate Institutions Any Other (Specify)		
	Sub Total of A2	Nil	Nil
	TOTAL OF A1 +A2	8247779	48.02
B1.	Public Shareholdings Institutions Mutual Funds and UTI Banks/Financial Institutions Central Government/State Government Venture Capital Funds Insurance Companies Foreign Institution Investor Foreign Venture Capital Investors Any Other (Specify)	0	0
	Sub Total B1	0	0
B2.	Non Institutions Bodies Corporate Individuals Individuals share holders holdings nominal share capital upto Rs. 1 Lakhs Individual Shareholding holding nominal share capital in excess of Rs. 1 Lakhs Any Other (Specify) NRIs/OCBs Foreign Collaborators Clearing Members	2603460 3027083 3191105 53785 54188	15.16 17.62 18.58 0.31 0.32
	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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2013

Sl. No.	Category From - To Rs Rs	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1	Upto - 5000	3840	72.6	784999	4.57
2	5001 - 10000	731	13.82	644001	3.75
3	10001 - 20000	332	6.28	536921	3.13
4	20001 - 30000	113	2.14	292315	1.7
5	30001 - 40000	44	0.83	162080	0.94
6	40001 - 50000	50	0.95	237988	1.39
7	50001 - 100000	78	1.47	570989	3.32
8	100001 and above	101	1.91	13948107	81.2
	Total	5289	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, 2013.

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 Godavari 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

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

I hereby certify that the Board Members and Senior Management Personnel of Ambica Agarbathies Aroma & Industries Limited have affirmed compliance with the Code for the Financial Year 2012-13.

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 31.03.2013
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.

Place: Hyderabad
Date: 24.08.2013

Sd/-
Ambica Krishna
Chairman & Managing Director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,
The Members
Ambica Agarbathies Aroma & Industries Limited
ELURU

We have examined the compliance of conditions of Corporate Governance by Ambica Agarbathies Aroma & Industries Limited for the financial year ended 31st March, 2013 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, 2013 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 24.08.2013

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

1. We have audited the attached Balance Sheet of **AMBICA AGARBATHIES AROMA AND INDUSTRIES LIMITED**, (the "Company") as at 31st March 2013, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company, as we considered appropriate and the information and explanations given to us, we enclose in the Annexure, a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - 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.

Sd/-

(T.S. AJAI)

Chartered Accountant
Membership No.025524

Place: Hyderabad
Date :24.08.2013



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 2013)

i. In respect of its fixed assets:

- (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. In respect of its inventory:

- (a) As explain 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. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956. According to the information and explanations given to us:

- (a) The company has granted unsecured loans to two Companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 12,49,54,981 /- and the year-end balance of the loans granted is Rs. 409,33,672/-.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans given by the company are not, prima facie, prejudicial to the interest of the company.
- (c) In the case of loans granted to companies 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 loans granted by the company, to the parties listed in the register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (e) The Company has not taken any loans, secured or unsecured, by the companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the requirements of clauses (iii) (f) and (iii) (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 an 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. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (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 Agarbhati division vide notification no. G.S.R.429(E) dated 3 June 2011 issued by the Ministry of Corporate affairs. We are unable to comment on the compliance of the same since the Company is in the process of complying.
- ix. In respect of statutory dues:**
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax and other statutory dues have not generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth tax, Customs duty, Excise duty and Investor Education and Protection Fund.
- (b) According to the information and explanations given to us, except in case of income tax and works contracts (tds) there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales tax, Service tax and other statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable. As explained to us, the provisions of Wealth tax, Customs duty, Excise duty were not applicable to the Company.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

SI	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	2010-11	59,94,834
5	Income tax	2011-12	42,52,948
6	Income Tax	2012-13	38,33,056

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.

- (c) According to the information and explanations given to us, there are no dues of Sales tax, and Service tax which have not been deposited with the appropriate authorities on the account of any dispute. As explained to us the provisions of Wealth tax, Customs duty excise duty are not applicable to the Company. The following dues of Income-tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Demand (Rs.)	Year to which the amount related	Forum where dispute is pending
Income Tax Act, 1961	Asst. made r.w.s. 143(3) u/s. 147	87,75,480/-	AY 2003-04	CIT(A), Chennai, Tamil Nadu.
Income Tax Act, 1961	Asst. made r.w.s. 143(3) u/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, the installments of Rs. 7,05,59,789 were repaid with a delay ranging from 14 to 62 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.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- 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 corporate guarantee given 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 and according to the information and explanation furnished to us, 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, the term loans taken by the company have been applied for the purpose for which they were raised.
- 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 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 : Hyderabad
Date : 24.08.2013



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH , 2013

Particulars	Note No	As at 31.3.2013 Rupees	As at 31.3.2012 Rupees
I EQUITY AND LIABILITIES			
1 Share holders fund			
Shareholders' funds			
(a) Share capital	2	17,12,94,623	17,12,94,623
(b) Reserves and surplus	3	16,04,16,024	14,81,89,171
(c) Money received against share warrants		0	
		33,17,10,647	31,94,83,794
(2) Share application money pending allotment	4	1,99,685	1,99,685
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	41,22,92,214	36,10,87,857
(b) Deferred tax liabilities (Net)	6	4,51,23,333	4,27,40,625
(c) Other long-term liabilities	7	4,53,66,270	3,78,88,183
(d) Long-term provisions	8	5,47,09,311	5,08,61,258
		55,74,91,128	49,25,77,923
(4) Current Liabilities			
(a) Short-term borrowings	9	23,51,66,223	20,15,37,487
(b) Trade payables	10	4,25,32,587	2,86,65,594
(c) Other current liabilities	11	2,16,41,016	1,39,11,248
(c) Short-term provisions	12	75,52,796	55,80,489
		30,68,92,621	24,96,94,818
TOTAL		119,62,94,081	106,19,56,220
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	13.1	43,91,48,399	30,66,17,325
(ii) Intangible assets	13.2	1,14,126	2,16,526
(iii) Capital work-in-progress	13.3	12,09,44,682	14,52,84,759
		56,02,07,207	45,21,18,610
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	14	23,43,22,662	29,74,07,681
(e) Other non-current assets	15	0	0
		79,45,29,869	74,95,26,291
(2) Current assets			
(a) Current investments			
(b) Inventories	16	14,53,53,571	15,14,61,538
(c) Trade receivables	17	6,31,19,917	5,80,62,963
(d) Cash and cash equivalents	18	80,29,077	50,36,608
(e) Short-term loans and advances	19	13,77,94,839	5,30,16,798
(f) Other current assets	20	4,74,66,808	4,48,52,022
		40,17,64,211	31,24,29,929
Inter Division Balances		0	0
TOTAL		119,62,94,081	106,19,56,220

III. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-20

As per our Report of even date

Sd/-

T.S. Ajai

Chartered Accountant
Membership No.025524

Place : Hyderabad

Date : 24-08-2013

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-

AMBICA KRISHNA

Chairman & Managing Director

Sd/-

AMBICA RAMACHANDRA RAO

Director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Sch. No	For the Year Ended 31.3.2013 Rupees	For the year Ended 31.3.2012 Rupees
I. Revenue from operations	21	99,43,45,170	85,42,38,291
II. Other income	22	1,31,38,427	1,14,98,755
III. TOTAL REVENUE (I+II)		<u>100,74,83,597</u>	<u>86,57,37,046</u>
IV. Expenses:			
(a) Cost of materials consumed	23	18,71,00,959	15,64,39,207
(b) Purchases of stock-in-trade	24	37,49,80,243	31,97,59,133
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade "	25	-1,125,456	-2,694,781
(d) Employee benefits expense	26	1,42,99,337	1,32,26,317
(e) Finance costs	27	7,80,87,994	6,43,39,042
(f) Depreciation and amortisation expense	13	2,98,05,929	2,67,41,160
(g) Other expenses	28	30,51,76,752	26,27,57,910
TOTAL EXPENSES		<u>98,83,25,758</u>	<u>84,05,67,989</u>
V. PROFIT BEFORE TAX (III-IV)		<u>1,91,57,839</u>	<u>2,51,69,056</u>
VI. Tax expense:			
(i) Current tax	29	38,33,056	73,29,400
(ii) Deferred tax		23,82,711	-991,629
		<u>62,15,764</u>	<u>63,37,771</u>
VII. PROFIT (LOSS) FOR THE PERIOD (V-VI)		<u>1,29,42,075</u>	<u>1,88,31,285</u>
VIII. Earnings per equity share : Basic and diluted	30	0.76	1.10
IX. NOTES FORMING PART OF THE FINANCIAL STATEMENT	21-30		

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-

T.S. Ajai

Chartered Accountant
Membership No. : 25524

Sd/-

AMBICA KRISHNA

Chairman & Managing Director

Sd/-

AMBICA RAMACHANDRA RAO

Director

Place : Hyderabad

Date : 24-08-2013



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2012-2013

Particulars	As at 31.03.2013 (Rs.In Lacs)	As at 31.03.2012 (Rs.In Lacs)
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	1,91,57,839	2,51,69,060
Adjustment for :		
Interest Expenditure	7,80,87,994	6,33,20,379
Interest Income	-57,63,533	-53,92,500
Depreciation	2,98,05,929	2,67,41,160
Other Non Cash Exp	4,80,000	80,000
Loss on sale of Fixed assets	-	38,676
	<u>10,26,10,390</u>	<u>8,47,87,715</u>
Operating profit before working capital changes	<u>12,17,68,229</u>	<u>10,99,56,776</u>
Changes in working capital		
Adjustments for :		
Decrease / (Increase) in Inventories	61,07,967	1,27,09,361
Decrease / (Increase) in Trade Receivables	-5,056,954	-6,930,153
Decrease / (Increase) in Other Current Assets	-2,614,786	-8,613,553
Increase / (Decrease) in Other Current Liabilities	77,29,768	-7,415,475
Increase / (Decrease) in Trade payables	1,38,66,993	41,00,243
	<u>2,00,32,988</u>	<u>-6,149,578</u>
Cash generated from operations	<u>14,18,01,217</u>	<u>10,38,07,198</u>
Taxes paid (Net of refund)	-56,66,369	-1,06,54,647
Net Cash generated from Operating Activities	<u>13,61,34,848</u>	<u>9,31,52,551</u>
II. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	57,63,533	53,92,500
Increase in Share Capital and Share Premium	0	0
Purchase of Tangible / Intangible assets	-13,04,16,440	-6,55,38,527
Decrease / (Increase) in Loans and Advances	-1,52,34,575	-11,24,36,977
Dividend received	0	0
Net cash used in Investing activities	<u>-13,98,87,482</u>	<u>-17,25,83,003</u>
III. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long term borrowings	5,12,04,357	10,13,09,880
Increase / (Decrease) in Short term borrowings	3,36,28,736	6,34,327
Interest paid	-7,80,87,994	-6,33,20,379
Net cash provided by / (used in) financing activities	<u>67,45,098</u>	<u>3,86,23,829</u>
Net Increase / (Decrease) in cash and cash equivalents (I+II+III)	<u>29,92,464</u>	<u>-4,08,06,624</u>
Opening balance of cash and cash equivalents	50,36,608	4,58,43,232
Closing balance of cash and cash equivalents	<u>80,29,077</u>	<u>50,36,608</u>
Increase / (Decrease) in cash or cash equivalents	<u>29,92,469</u>	<u>-4,08,06,624</u>



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Cash and cash equivalents comprise of:

Cash on hand	43,16,698	22,55,576
Cheque on hand		0
Balances with banks	37,12,434	27,81,033
Total	80,29,132	50,36,609

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

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-

T.S. Ajai

Chartered Accountant
Membership No. : 25524

Sd/-

AMBICA KRISHNA
Director

Sd/-

AMBICA RAMACHANDR RAO
Director

Place : Hyderabad

Date : 24-08-2013



Notes forming part of the Financial Statements

Note No. : 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.

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of revised Schedule VI.

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 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

Note No. : 2 SHARE CAPITAL

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2013		As at 31st March, 2012	
		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	1,71,77,400	1,71,77,400	1,71,77,400
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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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, 2013		As at 31st March, 2012	
		No. of Shares	Amount	No. of Shares	Amount
I	Equity Shares				
	At the beginning of the period	1,71,77,400	17,17,74,000	1,71,77,400	17,17,74,000
	Add: Issued during the period	-	-	-	-
	"Less: Brought bank during the year"	-	-	-	-
	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, 2013		As at 31st March, 2012	
		No. of Shares	% of share Holding	No. of Shares	% of share Holding
	Equity Shares				
	Trinethra Infra Ventures Limited	19,00,000	11.06%	19,00,000	11.06%
	Agnvsa Ramchandra Rao	14,64,950	8.53%	14,64,950	8.53%
	P V V P Krishna Rao	13,91,701	8.10%	13,91,701	8.10%
	Alapati Ramanjaneyulu	12,38,700	7.21%	12,38,700	7.21%
	Rajeshwar Rao Alapati	12,11,213	7.05%	12,11,213	7.05%
	Puvvada Bhaskar Rao	9,00,000	5.24%	9,00,000	5.24%

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

Note No. : 3 RESERVE AND SURPLUS

S. No.	Particulars	Ref No.	As at March 31, 2013	As at March 31, 2012
(a)	Capital Reserves			
	Opening Balance	3.1	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	3.2		
	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	3.3		
	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	3.4		
	Balance brought forward from previous year		10,45,28,916	8,68,92,860
	Add: Profit for the year		1,29,42,078	1,88,31,289
	Less: Utilised during the year			
	Closing balance		11,74,70,994	10,57,24,149
(e)	(i) Agarbathi Division	3.5		
	Misc Expenses Not Written off		1,44,00,000	19,20,000
	Balance brought forward from previous year	-	-	-
	Add: Profit for the year		-	-
	Less: Utilised/transferred during the year			
	Closing balance		1,44,00,000	19,20,000
	(ii) Hotel Division	3.6		
	Misc Expenses Not Written off		1,02,529	1,02,529
	Balance brought forward from previous year		-	-
	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)		15,42,529	20,22,529
	Total Reserves and Surplus (a+b+c+d-e)		16,04,16,020	14,81,89,175

Note No. : 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

S. No.	Particulars	Ref No.	As at March 31, 2013	As at March 31, 2012
	Share Application Money	4.1	1,99,685	1,99,685
			1,99,685	1,99,685



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 5 LONG -TERM BORROWINGS

S. No.	Particulars	Ref No.	As at March 31, 2013	As at March31, 2012
(a)	Term Loans Secured			
	Agarbathi Division			
	- from banks	5.1	13,66,48,692	15,41,35,868
	- from other parties	5.2	3,91,18,594	0
			17,57,67,286	15,41,35,868
	Term Loans Secured			
	Hotel Division			
	- from banks	5.1	20,10,23,749	17,45,47,110
	- from other parties	5.2	0	0
			20,10,23,749	17,45,47,110
	Total		37,67,91,035	32,86,82,978
	Note: Refer note c and d for repayment terms and details of securities pledged.			
(ii)	Others (unsecured)			
	"Trade Deposits From Distributors Of Durbar Bathies "	5.3	88,41,720	91,42,420
	Trade Deposits From Distributors Of Scented	5.4	2,66,59,459	2,32,62,459
	(ii) Hotel Division			
	Trade Payable	5.3		
	Others	5.4		
	Total (i+ii)		3,55,01,179	3,24,04,879
	Grand Total (a+b)		41,22,92,214	36,10,87,857



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
	Agarbathi Division		
1	Corp Bank New Machinery TI-2	13,50,392	Repayable by May 2013, In Monthly Installments
2	Corp Bank Wind Mill TI-3	3,16,228	Repayable by April 2013, In Monthly Installments
3	Corp Bank Agarbathi Machinery TI-6	2,46,98,787	Repayable by July 2017, In Monthly Installments
4	IOB Rental Discounting Term Loan	9,78,44,574	Repayable by February 2021, In Monthly Installments
5	Vehicle Loans	1,24,38,711	Repayable in Monthly Installments

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
	Hotel Division		
1	Corp Bank Hotel Renovation TI -5	26,21,349	Repayable by June 2013, In Monthly Installments
2	Corp Bank New Hotel Renovation TI -7	4,45,74,173	Repayable by September 2017, In Monthly Installments
3	Corp Bank New Hotel Construction, Vizag TI -8	12,02,90,030	Repayable by October 2019, In Monthly Installments
4	Corp Bank New Hotel Construction, Vizag TI -New	2,57,56,526	
5	IDBI Cc Loan A/C 0005671200013615	55,00,000	Repayable by March 2014, In Monthly Installments
7	L&T Term Loan	8,15,648	Repayable by October 2013, In Monthly Installments
8	L&T Term Loan	1,22,586	Repayable by October 2013, In Monthly Installments
9	L&T Term Loan	3,90,040	Repayable by August 2013, In Monthly Installments
10	Vehicle Loans	9,53,397	Repayable in Monthly Installments



(d) Details of Securities Pledged

Sl. No.	Agarbathi Division
1	First charge on equitable mortgage of commercial Land and building.
2	Hypothecation by way First Charge on all movable assets of the company.
3	Hypothecation by way First Charge on all movable assets of the company and Assignment of receivables under PPA from TNEB for Purchase of Power.
4	Hypothecation/First Charge on assets financed by the bank.
5	Hypothecation by way of exclusive First charge on machinery acquired out of bank finance and all movable assets of the company
6	First Charge on Future Rent Receivables of the company.
7	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	Hypothecation by way of exclusive First charge on all the assets acquired out of bank finance and on all movable assets of the company
3	"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 along with building proposed to be constructed on it. "
4	First charge on all credit card receivables of Hotel Division
5	First charge on all credit card receivables of Hotel Division
6	Hypothecation respective asset and personal guarantee of CMD
7	Hypothecation respective asset and personal guarantee of CMD
8	Hypothecation respective asset and personal guarantee of CMD
9	Hypothecation/First Charge on assets financed by the bank and Financial Institutions.
#	In addition to the above securities three directors of the company have given their personal guarantees.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

Note No. : 6 DEFERRED TAX LIABILITIES (NET)

S. No.	Particulars	Ref No.	As at March 31, 2013	As at March31, 2012
	Deferred Tax Liability	6.1	4,51,23,333	4,27,40,625
	Total		4,51,23,333	4,27,40,625

Note No. : 7 OTHER LONG TERM LIABILITIES

S. No.	Particulars	Ref No.	As at March 31, 2013	As at March31, 2012
	Unsecured Others			
	Agarbathi Division			
	Advances given to suppliers	7.1	92,00,000	92,00,000
			92,00,000	92,00,000
	Construction Division			
	- APSRTC - Vijayawada	7.1	2,31,48,063	1,78,61,067
	- APSRTC - Vizag	7.2	69,69,331	47,78,239
	- Other Advances	7.3	60,48,877	60,48,877
	Total		3,61,66,271	2,86,88,183
	Grand Total		4,53,66,271	3,78,88,183

Note No. : 8 LONG TERM PROVISIONS

S. No.	Particulars	Ref No.	As at March 31, 2013	As at March31, 2012
	Agarbathi Division			
	Provision for Employee Benefits	8.1	2,72,437	2,57,437
	Provision for Others			
	- Provision for Income Tax	8.2	5,44,36,874	5,06,03,821
	Total		5,47,09,311	5,08,61,258



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 9 SHORT TERM BORROWINGS

(Amount in ₹)

S. No.	Particulars	Ref No.	As at March 31, 2013	As at March31, 2012
	Agarbathi division from Banks Secured			
	Loans Repayable on Demand from Banks			
	-Corporation bank CC Loan	9.1	23,50,35,169	20,15,37,487
	Vehicle Loans (Secured)	9.2	1,31,053	
		9.3		
	Total		23,51,66,223	20,15,37,487

Working Capital Loan of Rs.2,350.35 Lakhs (2,015.37 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.

Note No. : 10 TRADE PAYABLES

(Amount in ₹)

S. No.	Particulars	Ref No.	As at March 31, 2013	As at March31, 2012
	(a) Agarbathi division			
	Total O/s dues of Micro & Small Enterprises		0	0
	Sundry Creditors	10.1	2,90,15,669	2,32,05,428
	(b) Hotel Division			
	Total O/s dues of Micro & Small Enterprises		0	0
	Sundry Creditors	10.1	1,35,16,917	54,60,166
	(c) Construction Division			
	Total O/s dues of Micro & Small Enterprises		0	0
	Sundry Creditors	10.1	0	0
	Total		4,25,32,587	2,86,65,594



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 11 OTHER CURRENT LIABILITIES

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
	(i) Current Maturities of Long Term Debt	-	0	5,75,150
	(ii) Unpaid Dividend	12.2	6,23,674	6,23,674
	(iii) Other Payables		0	0
	- TDS Payable	11.1	6,64,891	7,91,927
	- VAT/CST/Entry Tax Payable	11.2	7,14,942	6,65,812
	- Deposits received from customers		-	25,00,000
	- Amount payable to margadarsi chit fund		-	45,00,000
	Other Payables	11.5	52,41,049	
	Total		72,44,556	96,56,563
	(b) Hotel Division			
	Other Payables			
	-TDS Payable	11.1	1,97,907	52,849
	-VAT/CST/Entry Tax Payable	11.2	8,72,230	6,57,294
	- Import Liquor Tax Payable	11.6	0	13,489
	- Luxury Tax Payable	11.7	3,63,196	3,31,885
	-Sales Tax Payable	11.8	1,051	1,051
	- Service Tax Payable	11.9	3,14,869	41,469
	-Other current Liabilities	11.5	1,04,23,333	9,32,774
	Total		1,21,72,587	20,30,811
	(c) Construction Division	0		
	Other Payables			
	-TDS Payable	11.1	22,05,388	22,05,388
	-Other current Liabilities	11.5	18,485	18,485
	Total		22,23,873	22,23,873
	Grand Total (a+b+c)		2,16,41,016	1,39,11,247

Note No. : 12 Short term Provisions

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
	Agarbathi Division			
	Provision for Employee Benefits	12.3	2,52,108	2,47,446
	Provision for Tax	12.1		
			2,52,108	2,47,446
	Hotel Division			
	Provision for Employee Benefits	12.3	73,00,688	53,33,043
			73,00,688	53,33,043
	Total		75,52,796	55,80,489



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

13.1 : TANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.2012	Additions During the Year	Deductions during the year	As at 31.03.2013	As at 01.04.2012	For the Year	Deletions/ Rs.	As at 31.03.2013	As at 31.03.2012
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	13.1.1 Land									
	Agarbathi Division	15,68,931	0	0	15,68,931	0	0	0	15,68,931	15,68,931
	Hotel Division	42,14,968	0	0	42,14,968	0	0	0	42,14,968	42,14,968
	SUB TOTAL	57,83,899	0	0	57,83,899	0	0	0	57,83,899	57,83,899
2	13.1.2 Buildings									
	Agarbathi Division	1,94,81,318	0	0	1,94,81,318	58,58,175	5,44,522	0	64,02,697	1,30,78,621
	Hotel Division	10,54,11,967	6,97,97,781	0	17,52,09,748	1,51,59,537	18,82,512	0	1,70,42,049	15,81,67,699
	SUB TOTAL	12,48,93,285	6,97,97,781	0	19,46,91,066	2,10,17,712	24,27,034	0	2,34,44,746	17,12,46,320
3	13.1.3 Plant & Machinery									
	Agarbathi Division	17,12,99,884	6,12,959	4,845	17,19,07,998	7,17,08,827	1,17,61,361	0	8,34,70,188	8,84,37,810
	Hotel Division	5,29,29,575	3,00,85,327	0	8,30,14,902	2,24,32,577	27,34,144	0	2,51,66,721	5,78,48,181
	SUB TOTAL	22,42,29,459	3,06,98,286	4,845	25,49,22,900	9,41,41,404	1,44,95,505	0	10,86,36,909	14,62,85,991
4	13.1.4 Furniture & Fittings									
	Agarbathi Division	1,25,53,159	8,35,849	0	1,33,89,008	48,91,920	6,71,793	0	55,63,713	78,25,295
	Hotel Division	10,41,65,927	5,79,94,579	0	16,21,60,506	7,64,50,560	66,54,010	0	8,31,04,570	7,90,55,936
	SUB TOTAL	11,67,19,086	5,88,30,428	0	17,55,49,514	8,13,42,480	73,25,803	0	8,86,68,283	8,68,81,231
5	13.1.5 Vehicles									
	Agarbathi Division	4,03,03,291	8,09,252	-	4,11,12,543	1,60,75,737	35,23,691	-	1,95,99,428	2,15,13,115
	Hotel Division	1,27,33,088	2,39,669	-	1,29,72,757	60,09,797	11,56,785	-	71,66,582	58,06,175
	SUB TOTAL	5,30,36,379	10,48,921	-	5,40,85,300	2,20,85,534	46,80,476	-	2,67,66,010	2,73,19,290
6	13.1.6 Others									
	Computers									
	Agarbathi Division	34,63,854	3,78,048	-	38,41,902	33,83,580	2,30,848	-	36,14,428	227,474
	Hotel Division	51,29,141	14,85,986	-	66,15,127	46,67,070	5,43,863	-	52,10,933	14,04,194
	SUB TOTAL	85,92,995	18,64,034	-	10,4,57,029	80,50,650	7,74,711	-	88,25,361	1,631,668
	TOTAL- TANGIBLE	53,32,55,103	16,22,39,450	4,845	69,54,89,708	22,66,37,780	2,97,03,529	-	25,63,41,309	439,148,399
										306,617,324



13.2 : INTANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.2012	Additions/ During the Year	Deductions during the year	As at 31.03.2013	As at 01.04.2012	For the Year	Deletions/ Internal Transfers	As at 31.03.2013	As at 31.03.2012
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
11	13.2.1 Trade Marks Agarbathi Division	10,24,000	0	0	1,024,000	8,07,474	1,02,400	0	9,09,874	1,14,126
	SUB TOTAL	10,24,000	0	0	10,24,000	8,07,474	1,02,400	0	9,09,874	2,16,526
2	13.2.2 Intangible Asset Agarbathi Division Hotel Division Construction Division	0 50,000	0 0	0 0	0 50,000	0 50,000	0 0	0 0	0 50,000	0 0
	SUB TOTAL	50,000	0	0	50,000	50,000	0	0	50,000	0
	TOTAL - INTANGIBLE	10,74,000	0	0	10,74,000	8,57,474	1,02,400	0	9,59,874	2,16,526

13.3 : CAPITAL WORK-IN-PROGRESS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.2012	Additions/ during the Year	Deductions during the year	As at 31.03.2013	As at 01.04.2012	For the Year	Deletions/ Internal Transfers	As at 31.03.2013	As at 31.03.2012
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	13.3.1 Work in Progress Agarbathi Division Hotel Division Construction Division	9,119 3,18,18,165 11,34,57,475	0 12,30,47,551 74,78,088	0 15,48,65,716 0	9,119 0 12,09,35,563	0 0 0	0 0 0	0 0 0	9,119 0 12,09,35,563	9,119 3,18,18,165 11,34,57,475
	TOTAL-WIP	14,52,84,759	13,05,25,639	15,48,65,716	12,09,44,682	0	0	0	12,09,44,682	14,52,84,759
	GRAND TOTAL	67,96,13,862	29,27,65,089	15,48,70,561	81,75,08,390	22,74,95,254	2,98,05,929	0	25,73,01,183	45,21,18,609
		60,65,24,615	7,43,71,660	12,82,412	67,96,13,863	20,07,54,094	2,67,41,160	0	22,74,95,254	40,57,70,517



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 14 LONG - TERM LOANS & ADVANCES

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	(a) Agarbathi Division			
	Unsecured, Considered good Capital Advances			
	-Advance for capital project	14.6	0	7,15,00,000
	Security Deposits	14.1	1,27,25,181	67,21,822
	Loans and Advances to related Parties			
	-Intercompany Deposit with ACP	14.2	4,09,03,672	4,53,21,269
	-Trade Deposits	14.4	12,00,00,000	12,00,00,000
	Other Loans and Advances	14.5	4,21,09,928	3,58,75,867
	Total		21,57,38,780	27,94,18,958
	(b) Hotel Division			
	Unsecured, Considered good Security Deposits	14.1	49,16,917	50,11,124
	Other Loans and Advances	14.5	79,17,637	72,28,272
	Total		1,28,34,554	1,22,39,396
	(c) Construction Division			
	Unsecured, Considered good Security Deposits	14.1	57,49,327	57,49,327
	Other Loans and Advances	14.5		
	Total		57,49,327	57,49,327
	Grand Total (a+b+c)		23,43,22,662	29,74,07,681

Note No. : 15 OTHER NON CURRENT ASSETS

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	Agarbathi Division			
	Unsecured, Considered good Long-term Trade Receivables	15.1		
	Others	15.2		
	Total		-	-
	Hotel Division			
	Unsecured, Considered good Long-term Trade Receivables	15.1		
	Others	15.2		
	Total		-	-



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Construction Division			
Unsecured, Considered good	15.1		
Long-term Trade Receivables	15.2		
Others			
Total		-	-
Grand Total		-	-

Note No. : 16 INVENTORIES

(At Lower of Cost and net realisable value)

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	Agarbathi Division			
(a)	Raw Materials	16.1	10,76,71,798	12,14,29,256
(b)	Finished Goods	16.2	2,88,05,172	2,76,79,716
(c)	Stores and Spares	16.3	0	0
(d)	Packing Material	16.4	44,40,482	94,693
	Total		14,09,17,452	14,92,03,665
	Hotel Division			
	Stock-in-hand	16.1	44,36,119	22,57,873
	Total		44,36,119	22,57,873
	Grand Total		14,53,53,571	15,14,61,538

Note No. : 17 TRADE RECEIVABLES

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	Agarbathi Division			
(a)	"Outstanding for a period exceeding six months from the date they are due for payment "			
	Secured, considered good	17.1	0	0
	Unsecured, considered good	17.2	1,03,159	1,01,258
			0	0
(b)	Others		0	0
	Secured, considered good	17.1	0	0
	Unsecured, considered good	17.2	5,54,37,749	5,05,98,598
	Total		5,55,40,907	5,06,99,856



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Hotel Division			
a) "Outstanding for a period exceeding six months from the date they are due for payment "			
Secured, considered good	17.1	0	0
Unsecured, considered good	17.2	0	0
	0	0	
b) Others		0	0
Secured, considered good	17.1	0	0
Unsecured, considered good	17.2	75,79,009	73,63,107
Total		75,79,009	73,63,107
Grand Total		6,31,19,917	5,80,62,963

Note No. : 18 CASH AND CASH EQUIVALENTS

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
	(a) Agarbathi Division			
	(i) Balances With Banks			
	- Current Accounts	18.1	30,23,208	33,39,860
	- Earmarked balances	18.2	1,78,536	1,78,536
	- Deposit amounts	18.3		
	(ii) Cheques,drafts on hand	18.4		
	(iii) Cash on hand	18.5	36,23,472	17,70,434
	Total		68,25,217	52,88,830
	(b) Hotel Division			
	(i) Balances With Banks			
	- Current Accounts	18.1	4,62,129	-785,974
	- Earmarked balances	18.2	0	0
	- Deposit amounts	18.3	0	0
	(ii) Cheques,drafts on hand	18.4	0	0
	(iii) Cash on hand	18.5	6,66,315	4,31,377
	Total		11,28,444	-354,597
	(c) Construction Division			
	(i) Balances With Banks			
	- Current Accounts	18.1	48,561	48,611
	- Earmarked balances	18.2	0	0
	- Deposit amounts	18.3	0	0
	(ii) Cheques,drafts on hand	18.4	0	0
	(iii) Cash on hand	18.5	26,911	53,764
	Total		75,472	1,02,375
	Grand Total		80,29,132	50,36,608



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Note No. : 19 SHORT - TERM LOANS AND ADVANCES

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
	(a) Agarbathi Division			
	Unsecured, considered good			
	Loans and advances to related parties			
	Share Application Money	19.1	3,00,00,000	3,00,00,000
	Loans and advances	19.2	0	0
	Others			
	With Statutory Authorities	19.3	75,153	75,153
	Other Loans and advances	19.4	8,71,74,686	23,96,645
	Total		11,72,49,839	3,24,71,798
	(b) Hotel Division			
	Unsecured, considered good			
	Loans and advances to related parties			
	Share Application Money	19.1	0	0
	Loans and advances	19.2	0	0
	Others			
	With Statutory Authorities	19.3	0	0
	Other Loans and advances	19.4	0	0
	Total		0	0
	(c) Construction Division			
	Unsecured, considered good			
	Loans and advances to related parties			
	Share Application Money	19.1	2,05,25,000	2,05,25,000
	Others			
	With Statutory Authorities	19.3	0	0
	Other Loans and advances	19.4	20,000	20,000
	Total		2,05,45,000	2,05,45,000
	Grand Total		13,77,94,839	5,30,16,798



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 20 OTHER CURRENT ASSETS

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
	Agarbathi Division			
	Interest Receivable	20.1	22,274	0
	Others	20.2	3,71,95,398	2,86,19,683
	Total		3,72,17,672	2,86,19,683
	Hotel Division			
	Interest Receivable	20.1	34,50,288	34,50,288
	Others	20.2	67,98,846	1,27,82,053
	Total		1,02,49,134	1,62,32,341
	Construction Division			
	Interest Receivable	20.1	0	0
	Others	20.2	0	0
	Total		0	0
	Grand Total		4,74,66,806	4,48,52,024

Note No. : 21 REVENUE FROM OPERATIONS

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
(a)	Agarbathi Division			
	(i) Sale of Products			
	Ambica Durbar Bathies	21.1	56,31,81,042	47,75,92,118
	Ambica Scented Bathies	21.2	25,99,40,068	23,05,46,009
	(ii) Other operating revenues	21.3	6,38,158	5,78,310
	Less: Excise Duty			
	Total		82,37,59,267	70,87,16,437
(b)	Hotel Division			
	(i) Sale of Products			
	Food Sales	21.4	7,36,33,321	6,58,46,441
	(ii) Sale of Services			
	Rent Receipts	21.5	3,09,05,919	3,48,68,223
	Hospitality Income	21.6	3,57,97,803	2,87,77,119
	(iii) Other operating revenues	21.3	3,02,48,859	1,60,30,071
	Less: Excise Duty			
	Total		17,05,85,903	14,55,21,854
	Grand Total (a+b)		99,43,45,170	85,42,38,291



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 22 OTHER INCOME

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
(a)	Agarbathi Division			
	Interest Income	22.1	56,76,921	53,37,226
	Dividend Income	22.2	0	0
	Net gain/ loss on sale of investments	22.3	0	0
	Other non-operating income	22.4	73,71,610	61,06,255
	Total		1,30,48,530	1,14,43,481
(b)	Hotel Division			
	Interest Income	22.1	86,612	7,486
	Dividend Income	22.2	0	0
	Net gain/ loss on sale of investments	22.3	0	0
	Other non-operating income	22.4	3,285	47,788
	Total		89,897	55,274
	Grand Total (a+b)		1,31,38,427	1,14,98,755

Note No. : 23 COST OF MATERIAL CONSUMED

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
(a)	Agarbathi Division			
	Cost of Material Consumed			
	Opening Stock		0	0
	Raw Material	23.2	12,14,29,256	13,64,19,094
	Packing Material	23.3	94,693	7,16,905
			12,15,23,949	13,71,35,999
	Add: Purchases			
	Raw Material	23.4	9,99,68,770	8,33,18,628
	Packing Material	23.5	4,36,35,671	2,74,94,523
	Total		14,36,04,441	11,08,13,151
	Sub total		26,51,28,390	24,79,49,150
	Less: Closing Stock			
	Raw Material	23.6	10,76,71,798	12,14,29,256
	Packing Material	23.7	44,40,482	94,693
			11,21,12,280	12,15,23,949
	Total		15,30,16,110	12,64,25,201



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(b) Hotel Division :			
Opening Stock			
Provisions and Other Raw Material	23.2	26,87,826	1,25,415
Add: Purchases	23.4	3,58,33,142	3,21,46,464
Sub total		3,85,20,968	3,22,71,879
Less: Closing Stock			
Provisions and Other Raw Material	23.6	44,36,119	22,57,873
Total		3,40,84,849	3,00,14,006
Grand Total (a+b)		18,71,00,959	15,64,39,207

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

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	Durbarbathi Purchased	24.1	37,49,80,243	31,97,59,133
			37,49,80,243	31,97,59,133

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

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	Closing Balance	25.1	2,88,05,172	2,76,79,716
	Opening Balance	25.2	2,76,79,716	2,49,84,935
	Net increased/decreased		11,25,456	26,94,781

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

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	Employee Benefit Expenses			
	Consist of the following :			
	(a) Agarbathi Division :			
	Salaries and Incentives	26.1	27,97,334	35,45,200
	Contribution to -			
	(i) Provident Fund	26.2	1,59,438	1,35,836
	(ii) Employee State Insurance	26.3	11,917	11,916
	(iii) Bonus	26.4	1,57,640	1,57,640
	(iv) Gratuity	26.5	15,000	15,000
	Staff welfare Expenses	26.6	1,66,021	1,47,373
	Total		33,07,350	40,12,965



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(b) Hotel Division :			
Salaries and Incentives	26.1	94,68,091	71,77,157
Contribution to -			
(i) Provident Fund	26.2	3,48,397	3,80,499
(ii) Employee State Insurance	26.3	1,58,597	2,09,663
(iii) Bonus	26.4	3,71,871	6,80,044
(iv) Gratuity	26.5	0	0
Staff welfare Expenses	26.6	6,45,031	7,65,989
Total		1,09,91,987	92,13,352
Grand Total (a+b)		1,42,99,337	1,32,26,317

Note No. : 27 FINANCE COSTS (Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	(a) Agarbathi Division :			
	Interest expenses	27.1	5,89,31,642	5,26,48,544
	Other Borrowing Costs	27.2	28,30,278	19,22,074
	Applicable gain/loss on foreign currency transactions and translation	27.3	0	0
	Total		6,17,61,920	5,45,70,618
	(b) Hotel Division :			
	Interest expenses	27.1	1,50,80,542	87,32,666
	Other Borrowing Costs	27.2	12,45,531	10,35,759
	Applicable gain/loss on foreign currency transactions and translation	27.3	0	0
	Total		1,63,26,073	97,68,425
	Grand Total (a+b)		7,80,87,994	6,43,39,043

Note No. : 28 OPERATING AND OTHER EXPENSES (Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March31, 2012
	(a) Agarbathi Division			
	Agarbathi Making and Packing Charges	28.1	1,41,72,011	1,36,19,992
	Electricity Charges	28.2	33,91,774	32,67,953
	Fuel & Generator Maintenance	28.3	22,21,805	11,06,871
	Charities And Donations	28.4	8,22,636	5,59,513
	Consultancy Charges	28.5	4,30,942	40,44,420
	Insurance Premium	28.6	13,91,265	7,19,467



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Internal Auditors Expenses	28.7	0	0
Audit Fee	28.8	8,42,700	8,42,700
Listing Fee	28.9	44,944	1,07,543
Miscellaneous A/C Balances W/O	28.10	-1,06,234	2,59,609
Miscellaneous Expenses	28.11	1,25,721	3,11,397
Office Maintenance	28.12	76,314	93,984
Postage And Courier	28.13	1,49,775	1,33,585
Printing And Stationary	28.14	2,60,382	5,12,906
Prior Period Adjustment		0	0
Rates And Taxes	28.15	14,32,072	7,94,797
Rent	28.16	5,29,692	3,92,368
Repairs to Building	28.17	6,78,388	11,37,849
Repairs to Machinery	28.18	16,89,656	18,90,924
Repairs to Other Assets	28.19	8,80,013	7,78,612
Share Registrar Fees	28.20	33,708	77,210
Subscription	28.21	21,732	20,060
Telephone And Communication Expenses	28.22	21,77,017	19,62,657
Travelling And Conveyance Expenses	28.23	77,25,015	67,44,785
Vehicle Maintenance	28.24	65,31,589	60,01,658
Advertisement and Sales Promotions	28.25	2,16,63,986	1,76,05,682
Freight and Dispatch Expenses	28.26	68,48,963	78,01,240
Trade Discount on Sales	28.27	11,73,75,149	10,09,39,836
Turnover and Entry Taxes	28.28	3,13,47,462	2,46,37,658
Prior Period Adjustment	28.57	4,23,943	2,82,038
Loss on Sale of Vehicles	28.58	0	38,676
Bad debts written off	28.29	0	0
Total		223,182,419	196,685,990
(b) Hotel Division :			
Computer Maintenance	28.30	2,23,428	2,40,367
Consultancy Charges	28.31	2,50,854	1,64,800
Conveyance	28.32	3,34,670	3,24,405
Electricity Charges	28.33	1,29,61,827	89,55,707
Fuel Expenses	28.34	1,01,50,832	83,66,306
House Keeping Charges	28.35	1,91,60,560	1,50,68,166
Insurance	28.36	4,24,355	5,09,376
Kitchen Expenses	28.37	41,21,855	24,56,274
Miscellaneous Expenses	28.38	27,54,173	27,18,963
Postage and Courier Expenses	28.40	66,959	73,127
Printing & Stationary	28.41	10,49,930	12,76,987
Rates and Taxes	28.42	11,50,373	15,84,555
Rent	28.43	31,75,666	22,87,078
Repair to Building	28.44	0	0
Repair to Machinery	28.45	10,35,491	5,23,007
Repairs to Other Assets	28.46	34,60,893	20,39,143



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Newspaper and Subscriptions	28.47	3,77,188	1,91,519
Telephone Expenses	28.48	10,67,963	8,90,469
Transport Expenses	28.49	10,17,659	8,58,676
Travelling Expenses	28.50	4,77,010	2,65,116
Uniform and Linen	28.51	6,18,132	3,95,796
Vehicle Maintenance	28.52	13,28,853	11,56,437
Advertisement Expenses	28.53	29,73,364	35,74,238
Discounts allowed	28.54	6,77,516	2,67,856
Turnover and Other Taxes	28.55	1,31,34,779	1,15,68,587
Loss on Sale of Vehicles	28.56	0	3,14,966
Others	28.57	0	
Total		8,19,94,332	6,60,71,921
Grand Total (a+b)		30,51,76,751	26,27,57,911

Note No. : 29 CURRENT TAX

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
	Income tax for the year			
	Current tax	29.1	38,33,053	73,29,400
	"Adjustment / (credits) related to Previous year-Net"			
	Current tax	29.2	23,82,708	-991,629
	Total		62,15,761	63,37,771

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

(Amount in ₹)

S. No.	Particulars	Ref No	As at March 31, 2013	As at March 31, 2012
	Profit after Tax		1,29,42,075	1,88,31,289
	No. of Equity Shares		1,71,29,462	1,71,77,400
	Face Value per Share		10	10
	Basic/(Diluted) Earning per Share		0.76	1.10



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Note No. : 31 ADDITIONAL INFORMATION

(Amount in ₹)

S. No.	Particulars	For the year Ended 2013	For the year Ended 2012
(i)	(a) Employee benefit expenses (refer note 26)	1,42,99,337	15,64,39,207
	(b) Depreciation and amortization expenses (refer note 13)	2,98,05,929	2,67,41,160
	(c) Any item of income or expenditure which exceeds one percent of the revenue from operations or Rs 1,00,000 whichever is higher		
	Expenditure - Agarbathi Division		
	Agarbathi Making and Packing Charges	1,41,72,011	1,36,19,992
	Advertisement and Sales Promotions	2,16,63,986	1,76,05,682
	Freight and Dispatch Expenses	68,48,963	7,801,240
	Trade Discount on Sales	11,73,75,149	10,09,39,836
	Turnover and Entry Taxes	3,13,47,462	2,46,37,658
	Expenditure - Hotel Division		
	Electricity Charges	1,29,61,827	89,55,707
	Fuel Expenses	1,01,50,832	83,66,306
	House Keeping Charges	1,91,60,560	1,50,68,166
	Turnover and Other Taxes	1,31,34,779	1,15,68,587
		56,76,921	
	(d) Interest income	57,63,533	53,44,712
	(e) Interest expenses	7,80,87,994	6,13,81,209
	(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	8,42,700
	(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	8,27,250
	(k) Details of exceptional and extra-ordinary items		-



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S. No.	Particulars	For the year Ended 2013	For the year Ended 2012
(ii)	(a) (1) Raw materials Raw Bathies and Bamboo sticks Compounds Chemicals, perfumes and others Paper board Posters and liners Other packing materials (2) Goods purchased Purchase of durbar Bathies	4,19,92,001 1,93,80,924 4,62,98,873 27,53,099 9,32,501 7,54,882 37,49,80,243	3,66,63,308 1,64,35,276 4,04,56,064 1,89,63,780 75,85,512 63,21,260 31,97,59,133
(vi)	Expenditure incurred on each of the following items, separately for each item : (a) Consumption of stores and spare parts (b) Power and fuel (c) Rent (d) Repairs to buildings (e)/(f) Repairs to machinery (g) Insurance (h) Rates and taxes, excluding, taxes on income (i) Miscellaneous expenses	- 1,23,72,637 37,05,358 6,78,388 27,25,147 18,15,620 25,82,445 28,79,894	- 94,73,177 26,79,446 11,37,849 24,13,931 12,28,843 23,79,352 30,30,360
(viii)	(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 Total consumption % of each to the total consumption Imported Indigenous (e) Earnings in foreign exchange I. Export of goods calculated on FOB basis II. Royalty, know-how, professional and consultation fees" III. Interest and dividend IV. Other income	- - - - 18,71,00,959 18,71,00,959 0% 100% 0 0 0 0	- - - 5,70,625 - 15,64,39,207 15,64,39,207 0% 100% 1,521,013 0 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

	As at 31 March 2013	As at 31 March 2012
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	20,000	20,000
b) State Bank of India – to Commissioner of Customs Chennai	48,20,000	16,20,000
c) Corporation Bank- to canteen stores Department, Mumbai to APTPC, Hyderabad to VUDA, Visakhapatnam to commissioner of Customs Chennai	47,70,000 20,48,156 12,00,000 20,000	18,40,000 16,17,064 12,00,000 -
d) Indian Overseas Bank- The Company has given corporate guarantee on behalf of its subsidiary Ambica Infraventures Pvt. Ltd., During the financial year 2010 - 11 the subsidiary has been sold to Mr. N. Srinivas The process of substitution of the said Corporate Guarantee by the new management of Ambica Infraventures Pvt. Ltd., is in progress	15,29,50,713	15,29,50,713
e) Demands under the Income-tax Act, 1961, against which the Company has preferred appeals.	1,63,56,820	87,75,480

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.

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Deferred Tax Liability/ (Asset): On account of depreciation under Companies Act, 1956 and Income Tax Act, 1961 (Timing Difference)	23.83	(9.92)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

3. Directors' Traveling Expenses:

Particulars	For the year ending	
	31.03.13	31.03.12
Domestic	9.87	45.78
Foreign	-	5.71

4. Employee Benefits:

The Company has provided for Gratuity Liability on an estimated basis.

5. Segment Reporting:

The following is Segment Report of the Company in accordance with Accounting Standard-17 on "Segment Reporting" issued by ICAI.

Particulars	For the year ending	
	31.03.13	31.03.12
Segment Revenue		
Agarbathi Division	83,03.01	71,44.57
Hotel Division	17,06.76	14,55.77
Windmill Division	65.07	57.03
Increase/ (Decrease) in Stock	(11.25)	(26.95)
Total	1,00,86.09	86,84.32
Less: Inter Segment Revenue	-	-
Net Sales/ Income from Operation	1,00,86.09	86,84.32
Segment Results		
Agarbathi Division	6,25.10	5,77.18
Hotel Division	3,06.33	2,94.96
Windmill Division	41.02	22.94
Total	9,72.46	8,95.08
Less: Financial Charges	7,80.88	6,43.39
Profit before Tax	1,91.58	2,51.69
Capital Employed		
Agarbathi Division	57,04.34	56,96.00
Hotel Division	22,63.65	21,67.00
Windmill Division	2,59.23	2,34.80
Construction Division	10,89.42	10,89.42
Total	93,16.64	91,87.22

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

Particulars	(Amount in ₹)	
	Accretion/ (Decretion) to Stock	Other Income
Agarbathi Division	(11.25)	130.48
Hotel Division	Nil	302.49



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

6 Related Party Disclosure :

RELATIONSHIP INDEX	RELATED PARTY RELATIONSHIP	NAME	NATURE OF RELATION
A	Holding Company, Subsidiary Company and Fellow Subsidiary Company	Nil	Nil
B	Associates and Joint Ventures	Nil	Nil
C	Individuals having control or significant influence and their relatives	Nil	Nil
D	Key Management Personnel and Relatives	P V V P Krishna Rao A G N V S A Ramachandra Rao P I N V R Sudarshan A V Ambica Prasad A Rajeswara Rao A Ramanjaneyulu A B N V R A Hanuma A Janaki A Lalitha Kumari A P J Suneetha A Ramalakshmi A Satyamala A Siva Kumar P Satyavathi P A Y Madhavi A Santoshi A Lavanya	MD Director- Works Son of MD Brother of MD Brother of MD Brother's Son of MD Brother's Son of MD Daughter in Law of MD Brother's Wife of MD Daughter in Law of MD Brother's Wife of MD Brother's Wife of MD Brother's Son of MD Wife of MD Wife of Director Daughter in Law of MD Daughter in Law of MD
E	Enterprises over which parties referred in (c) or (d) as stated above are having significant influence	Ambica Cinema Productions Pvt. Ltd.	P V V P Krishna Rao - 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 Ramachandra Rao - 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in Lakhs)

Relation ship Index	Name of the Related Party	Nature of Relationship	Nature of Transaction	Transaction Amount
D	Ambica Krishna Ambica Ramachandra Rao	MD Director	Remuneration Remuneration	9.00 6.00
E	ACP Industries Ltd.	Enterprises over which parties referred in (C) or (D) as stated above are having significant influence	1. Purchase of Durbar bathies 2. Trade cum Caution Deposit 3. Inter corporate Deposit	3,749.80 1200 409.03
E	Ambica windsun power pvt. Ltd.,	– Do –	1. Share Application Money(Given)	300.00

7. Sundry debtors and creditors are subject to confirmations.

8. a) Construction Work at Vizag:

The Company has entered into a License 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 Vaibhav 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/reclassified wherever necessary to confirm to the current year's classification.

for and on behalf of the Board

As per our Report of even date

Sd/-
T.S.AJAI
Chartered Accountant

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

PLACE : Hyderabad
DATE : 24.08.2013

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**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Shankar Towers, Powerpet, Eluru.

PROXY FORM

Folio No.....
(To be filled by the shareholder)

I/ We..... being a member/ members of Ambica Agarbathies
Aroma & Industries Limited of in the district of
..... or failing him in the district of as my/
our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company
to be held on **MONDAY 30TH SEPTEMBER, 2013 at 11.00 AM** and at any adjournment thereof.

Signed this..... day of 2013.

Name

Address

**Revenue
Stamp**

Signature of the Shareholder/ Proxy*

*** Strike out whichever is not applicable.**

Note: The Proxy form should be deposited at the Register Office of the Company not later than
48 hours before the commencement of the meeting.

AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Shankar Towers, Powerpet, Eluru.

**EIGHTEENTH ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

Folio No.

No. of Shares

(To be filled by the Shareholder)

I hereby record my presence in the Eighteenth Annual General Meeting of the Company held on
the **MONDAY 30TH SEPTEMBER, 2013 at 11.00 AM** at Shankar Towers, Powerpet, Eluru.

Signature of Member/Proxy

Note:

1. A member/proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Member intending to appoint a Proxy should complete the proxy form below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

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