



AMBICA AGARBATHIES AROMA & INDUSTRIES LTD

POWERPET, ELURU - 534 002 W.G.DT. (A.P.)

PHONES : 230629, 230216, FAX : 08812 - 233876

Date: 24th September, 2016

To
Corporate Relationship Department
BSE LIMITED
P J Towers, Dalal Street,
MUMBAI- 400001
SCRIP CODE: 532335

To
Manager
National Stock Exchange of India Limited
Exchange Plaza", Bandra (E)
Mumbai-400051
SCRIP CODE: AMBICAAGAR

Dear Sir,

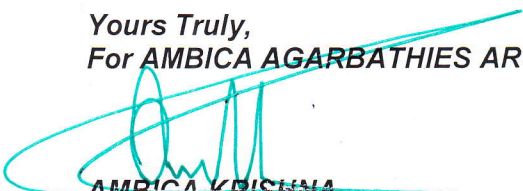
SUB: - 21st Annual General Meeting and Voting Results

With reference to the Above Cited Subject, we would like to submit the following information/documents with regard to the 21st Annual General Meeting of the Company

1. Summary of proceedings as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – I**
2. Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – II.**
3. Report of Scrutinizer dated 24th September 2016, Pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014. as **Annexure – III.**
4. Annual Report for the financial year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013. as **Annexure – IV.**

This is for the information and necessary records

Yours Truly,
For AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED


AMBICA KRISHNA
CHAIRMAN & MANAGING DIRECTOR



21st

Annual Report

2015 - 2016



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

**21st Annual General Meeting
FRIDAY 23RD SEPTEMBER, 2016**

At 11.00 A.M.

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

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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

COMPANY BOARD

Ambica Krishna
Ambica Ramchandra Rao
Satyavathi Perla
Sreedharan Venkatesan
P Kishore Thandava
Narayanam Kameswara Rao
Ambica Hanuma Alapati
Mohit Khandelwal

Chairman & Managing Director
Executive Director
Women director
Independent director
Independent director
Independent director
CFO
Company Secretary

CORPORATE INFORMATION

Registered office	Shankar Towers, Power Pet, Eluru, West Godavari Dist, Andhra Pradesh – 534002
Admin office	Ambica Empire, 57, 100FT Road, Vada Palani, Chennai
Factory	SatramPadu, Eluru, Duggirala, Eluru, West Godavari dist, Andhra Pradesh
Corporate identification number(CIN)	L24248AP1995PLC020077
Statutory auditors	T S AJAI, B.COM. FCA Chartered Accountant 304, Minar Apartments, Deccan Towers, BasheerBagh Hyderabad – 500 029
Bankers	Corporation bank, Eluru branch, Eluru
Registrars & transfer agents	M/s. Venture capital and corporate investments private limited. 12-10-167, Bharat Nagar, hyderabad-500018
Listed at	National Stock Exchange of India Limited BSE Limited

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 21st Annual General Meeting(AGM) of the members of the Company will be held on Friday 23rd September, 2016 at 11.00 AM at Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh - 534002 to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt The audited financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon;
2. To appoint a director in place of Ambica Ramchandra Rao(DIN: 01678538), who retires by rotation and being eligible offers himself for re-appointment as a director in the company;

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **“ORDINARY RESOLUTION”**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, the appointment of T S AJAI, Chartered Accountant,, (Registration No. 025524), Hyderabad, who was appointed as the Statutory Auditors of the Company till the conclusion of 22nd Annual General Meeting, be and are hereby ratified and confirmed, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March, 2017.”

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

Sd/-

AMBICA KRISHNA
Chairman and Managing Director

Place : Eluru
Date : 12.08.2016



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTES TO MEMBERS:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting
4. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/ Company.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday 17th September, 2016 to Friday 23rd September, 2016 (both day inclusive)** for the purpose of 21st Annual General Meeting.
6. Members are requested to quote ledger folio/DP id/client id number in all their correspondence to avoid delay in communication.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. up to the date of the meeting.
8. Members/Proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.
9. Members who hold shares in physical form can nominate a person in respect of all the shares Held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility.

10. VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by

Central Depository Service (India) Limited (CDSL):

COMMENCEMENT OF E - VOTING: From **10.00 A.M. on, Tuesday 20th, September, 2016 to 5.00 P.M. on Thursday 22nd, September, 2016**



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

E-voting shall not be allowed beyond 5.00 P.M. on Thursday 22nd, September, 2016. During the e-voting period, shareholders of the Company, holding shares either in physical form, as on 16th September, 2016 may cast their vote electronically.

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

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

11. The Company has appointed **Mr. MB SUNEEL**, Practising Company Secretary, and Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner

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

Sd/-

AMBICA KRISHNA
Chairman and Managing Director

Place : Eluru
Date : 12.08.2016



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

Information in respect of directors seeking appointment/re-appointment

Name of the Directors	Sri Ambica Ramachandra Rao
Date of first appointment	30.11.2011
Date of birth/age	04.02.1971
Expertise in specific functional areas	Purchase & marketing
Educational qualification	Under graduate
Chairman/member of the committees of board of Directors of the company	NIL
List of Directorships, Committee Chairmanship, Membership held in other companies as on date	Nil



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the 21st Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2016

1. FINANCIAL RESULTS: (₹.in millions)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Revenue from operations	1171.94	1163.25
Other Income	0.00	0.00
Total Income	1171.94	1163.25
Expenditure	1030.46	1015.79
Interest	89.67	92.37
Profit before depreciation and Income tax	51.81	55.10
Depreciation	32.44	35.75
Net profit before tax	19.37	19.35
Tax	6.66	5.00
Profit after tax	12.71	14.35

2. STATE OF COMPANY'S AFFAIR:

During the financial year under review the overall performance of the Company was good and the overall turnover of the Company was Rs. 1171.94 millions as compare to Rs 1163.25 millions and the Net profit 12.71 millions as compare to 14.35 millions.

3. DIVIDEND:

Your Directors do not recommend any Dividend for the Financial Year 2015-2016 as the profits are planned to be ploughed back into the business operations.

4. SUBSIDIARIES:

The Company during the year has acquired M/s Ambica Trendset Private Limited and thereby made it as wholly owned subsidiary. Ambica Trendset Private Limited is engaged in Hotel business having its registered office at Andhra Pradesh.

5. FIXED DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from the its member and public during the Financial Year

6. MEETINGS

During the year under review, Six board meetings were held on 17.04.2015, 22.05.2015, 14.08.2015, 14.11.2015, 11.02.2016, 25.03.2016. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

7. BOARD EVALUATION

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manner

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



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evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 11, February 2016 to evaluate the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

8. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ambica Ramchandra Rao (DIN-01678538) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed Both under sub-section (6) of Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

For Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting of the Company; the particulars as required to be disclosed in accordance Regulations 17 to 27 and Para C, D & E of Schedule V Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3) (c) of the Companies Act, 2013, and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- (i) That in preparation of the Annual Accounts for the year ended 31st March, 2016, all the applicable Accounting Standards Prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- (ii) That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently

and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended 31st March, 2016.

- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Annual Accounts for the year ended 31st March, 2016, has been prepared on a going concern basis.
- (v) Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

10. STATUTORY AUDITORS

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

REPLY TO THE AUDITORS OBSERVAIONS

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

11. INTERNAL AUDITORS:

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

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of section 177 (9) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (meetings of board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 22 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company and the web link is <http://www.ambicaagarbathies.com/>

13. RISK MANAGEMENT

Pursuant to the requirement of Regulation 21 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee and formulated a policy on the Risk Management. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Risk Management Policy of the Company is posted on the website of the Company and the web link is <http://www.ambicaagarbathies.com/>

14. REMUNERATION POLICY

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

15. MANAGEMENT DISCUSSION AND ANALYSIS:

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

16. CORPORATE GOVERNANCE:

Report on Corporate Governance including Auditor's Certificate on Compliance with Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and Para C, D & E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manner is enclosed as "**Annexure – II**" to this report

17. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Board of Directors, on recommendation of the Audit Committee, appointed M/s P S Rao and Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company. The secretarial audit report issued by M/s P S Rao and Associates, Practicing Company Secretaries for the financial year ending 31st March, 2016 is given in the FORM NO: MR - 3 is herewith annexed as "**Annexure (III)**" attached hereto and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the secretarial auditor and the observation made is self explanatory and requires no further explanation from the Board.

18. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per Regulation 23 SEBI (Listing Obligations & Disclosure Requirements) 2015 for the transactions which are of a foreseen and repetitive nature. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.



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The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in Form AOC-2 is herewith annexed as “Annexure IV” to this report.

19. EXTRACT OF ANNUAL RETURN

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

20. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as “Annexure VI”

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of ` Rs 1,02,50,000 per annum, or employees who are employed for part of the year and in receipt of ` Rs 8,50,000 per month.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

22. CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

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

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

C. Technology Absorption: Not Applicable

D. Foreign Exchange Earnings & Outgo

(In Rs. Lakhs)

	2015-16	2014-15
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	nil

26. ACKNOWLEDGEMENTS:

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

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

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

Sd/-
AMBICA KRISHNA
Chairman and Managing Director

Place : Eluru
Date : 12.08.2016



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

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

2. OPPORTUNITIES AND THREATS:

AS PER SEGMENT WISE

Agarbathies Division

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

Hotel Division

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

Construction Division

The Indian economy has witnessed considerable progress in the past few decades. Most of the infrastructure development sectors moved forward, but not to the required extent of increasing growth rate up to the tune of 8 to 10 per cent. The Union Government has underlined the requirements of the construction industry. With the present emphasis on creating physical infrastructure, massive



investment is planned in this sector. The Planning Commission has estimated that investment requirement in infrastructure to the tune of about 14,500 billion or US\$320 billion during the 11th Five Year Plan period. This is a requirement of an immense magnitude. Budgetary sources cannot raise this much resources. Public Private Partnerships (PPP) approach is best suited for finding the resources. Better construction management is required for optimizing resources and maximizing productivity and efficiency.

3. SEGMENT –WISE /PRODUCT –WISE:

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

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

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

1. AGARBATHIES DIVISION

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

Durbar Bathi

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

Sample Availability :	Yes
Supplier Product Code:	AMB-01

Fruit (Natural Bathies)

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

Sample Availability	Yes
Supplier Product Code	AMB-02



Sun Moon (Incense Sticks) :

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

Sample Availability	Yes
Supplier Product Code	AMB-04

Amrutham (Herbal Bathies)

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

Sample Availability	Yes
Supplier Product Code	AMB-05

Athjisaya Dhoop

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

Sample Availability	Yes
Supplier Product Code	AMB-06

2. HOTEL DIVISION:

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

3. CONSTRUCTION DIVISION

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



4. INDUSTRY OUT LOOK AGARBATHIES DIVISION

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

HOTEL DIVISION

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

CONSTRUCTION DIVISION

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

5. RISKS AND CONCERNS:

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

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

When it comes to Segment wise performance of the Company the Turnover of the Agarbathies Division was Rs 9052.86 Lakhs as Compare to Rs 9326.76 Lakhs, the Turnover of hotel division was Rs 2036.43 Lakhs as compared to Rs 2241.01 Lakhs and the Turnover of Windmill was 26.63 Lakhs as compared to 52.96 Lakhs and the Turnover of Construction Division 595.52 as compared to many projects are in finishing stages last year .

8. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The Company recognizes that people play a critical role in achieving its goals. As on 31st March, 2016, Company had a team of talented and experienced employees, providing a wide range of Financial Services. The focus for the year was to build platforms and to put in place scalable processes that would meet the needs of our Company's growth agenda. As a growing Company there are many opportunities available to employees to contribute and grow, ensuring that motivation is high. Our Company prides itself on its ability to attract and retain talents at all levels.

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

Place : Eluru
Date : 12.08.2016

Sd/-
AMBICA KRISHNA
Chairman and Managing Director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

REPORT ON CORPORATE GOVERNANCE

Annexure – II

The following are the details furnished in the form as required under the SEBI (Listing Obligations & Disclosure Requirements) 2015.

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.

BOARD OF DIRECTORS:

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

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

During the financial year 2015-2016, 6 (Six) Board Meetings were held on the following dates: 17.04.2015, 22.05.2015, 14.08.2015, 14.11.2015, 11.02.2016, 25.03.2016. The maximum time-gap between any two consecutive meetings did not exceed four months. The composition of the Board of Directors, their directorship details and the attendance of each Member at the meetings were as follows:

Directors	Category on	Attendance at AGM held Meeting 29.09.2015	Attendance in Board		Other Boards I have considered only limited companies		
			He Id	Atte nded	Direct orship Chairman ship	Comm ittee ship	Committee member
Sri Ambica Krishna	Chairman & Managing Director	Yes	6	6	1	Nil	Nil
Sri Ambica Ramachandra Rao	Executive Director	Yes	6	6	Nil	Nil	Nil
Smt Satyavathi Perla	Non-Executive Director	Yes	6	6	Nil	Nil	Nil
Sri P V Sreedharan	Non-Executive & Independent Director	Yes	6	6	Nil	Nil	Nil
Sri P Kishore Thandava	Non-Executive & Independent Director	Yes	6	6	Nil	Nil	Nil
Narayanam Kameswara Rao	Non-Executive & Independent Director	Yes	6	6	Nil	Nil	Nil



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

COMMITTEES OF THE BOARD:

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

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

AUDIT COMMITTEE:

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the Regulation 18 of SEBI Listing Obligations & Disclosure Requirements) 2015 read with Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Regulation 18 of SEBI Listing Obligations & Disclosure Requirements) 2015 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

Audit Committee of your company consists of following Directors:

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

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

During the year under review, five Audit Committee Meetings were held on, 22.05.2015, 14.08.2015, 14.11.2015, 11.02.2016, and 25.03.2016.

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

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

The terms of reference are:

The terms of reference are:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the financial statement and the auditor's report thereon;
- iv. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - changes, if any, in accounting policies and practices and reasons for the same
 - major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings.
 - compliance with listing and other legal requirements relating to financial statements
 - disclosure of any related party transactions
 - review of draft Auditors Report, in particular qualifications / remarks / observations made by the
 - Management Discussion and Analysis of financial conditions and results of operations
- v. Approval or any subsequent modification of transactions of the company with related parties;
- vi. Scrutiny of inter-corporate loans and investments;
- vii. Valuation of undertakings or assets of the company, wherever it is necessary;
- viii. Evaluation of internal financial controls and risk management systems;
- ix. Monitoring the end use of funds raised through public offers and related matters.
- x. The Committee is authorized to investigate into matters referred /delegated to it by the Board of Directors and for this purpose, has full access to information / records of the Company including seeking external professional support, if necessary.
- xi. Reviewing the Compliance of the Listing Agreement and Various other legal requirement concerning financial statements and related party transactions.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of section 178 of the Companies Act 2013, read along with Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) 2015, the Board has considered and approved the change in the nomenclature of the existing Remuneration Committees the "Nomination and Remuneration Committee".



4.1 Composition-name of members and Chairperson

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

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

Remuneration Committee meetings were held on 14-08-2015 and 11-02-2016 attendance of each Member of Committee is as follows.

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

Brief Description Of Terms Of Reference

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

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

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

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.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Details of the Directors' Remuneration:

Director	Designation	Remuneration for Financial Year 2015-16 (in ₹)	
		Salary & Perks	Total
Sri Ambica Krishna	Chairman & Managing Director	24,00,000	24,00,000
Sri Ambica Ramachandra Rao	Executive Director	12,00,000	12,00,000

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

STAKEHOLDER RELATION SHIP COMMITTEE:

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

To supervise and ensure:

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

- (i) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- (ii) Issue of duplicate / split / consolidated share certificates;
- (iii) Allotment and listing of shares;
- (iv) Review of cases for refusal of transfer / transmission of shares and debentures;
- (v) Reference to statutory and regulatory authorities regarding investor grievances;
- (vi) And to otherwise ensure proper and timely attendance and Redressal of investor queries and grievances.

Composition of Shareholder and Investor Grievance Committee is as follows :

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

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

- (a) **Name and designation of Compliance Officer** **Mr. Ambica Krishna**
Chairman & Managing director
- (b) **Details of Investor complaints received and redressed during the year:**

Nature of Complaints	Year 2015-16		
	Received	Resolved	Pending
Total Complaints	3	3	NIL



During the year under review, the Independent Directors met on 11, February, 2016, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) 2015, the Board has carried out the Annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

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

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

VIGIL MECHANISM POLICY

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies as may be prescribed to establish a vigil mechanism, called Whistle Blower Policy (as per Regulation 22 of SEBI (LODR) 2015) for the Directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

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



RISK MANAGEMENT COMMITTEE

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Risk Management Committee (RM Committee) constitution meets with the requirements of Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) 2015 and requirements of the Companies Act, 2013

Role and Responsibilities of the Committee includes the following:

- i. Framing of Risk Management Plan and Policy
- ii. Overseeing implementation of Risk Management Plan and Policy
- iii. Monitoring of Risk Management Plan and Policy
- iv. Validating the process of risk management
- v. Validating the procedure for Risk Minimization
- vi. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes Continually obtaining reasonable assurance from management that all known and emerging risks have
- vii. been identified and mitigated or managed
- viii. Performing such other functions as may be necessary or appropriate for the performance of its oversight function

Composition of Risk Management Committee is as follows.

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

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
2014-15	Tuesday 29th, September, 2015 at 11.00A.M.	Shankar Towers Powerpet, ELURU	Alteration of Article s of Association
2013-14	Monday, 29 th September, 2014 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2012-13	Monday, 30 th September, 2013 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--



DISCLOSURES:

Disclosures on Materially Significant Related Party Transactions:

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

Details of Non-Compliance and Penalties:

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

The company has belatedly complied some of the provision of Clauses of listing Agreement

MEANS OF COMMUNICATION:

Quarterly results:

Quarterly Results and Annual Results of the Company are normally published in English daily and Regional daily. As per Regulation 47 of SEBI (Listing Obligations & Disclosure requirements) 2015, Management Discussion and Analysis report is a part of the Annual Report.

9. General Shareholder Information:

Date, time and Venue	:	Friday 23rd September, 2016 at 11.00 AM Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh.
Financial year	:	1st April, 2016 to 31st March, 2017.
Book Closure	:	Saturday 17th September, 2016 to Friday 23rd September, 2016 (both day inclusive)
Dividend Payment Date	:	Not Applicable
Listing on Stock Exchanges	:	1) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400001. 2) National Stock Exchange of India Limited. 'EXCHANGE PLAZA' 5th Floor, Plot#C/1, G-Block, Bandra-Kurla Complex, Bandra (E), MUMBAI - 400051.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Stock Code:

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

• Market Price Data: During the last Financial Year 2015-2016

High and Low of the each month of the Company's Equity Shares during the last Financial Year 2015-16 at BSE Limited

BSE Limited		
Month	High ₹	Low ₹
April, 2015	4.46	3.95
May, 2015	4.90	4.44
June, 2015	4.92	4.40
July, 2015	4.95	4.41
August, 2015	4.41	3.71
September, 2015	4.01	3.70

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

Registrar and Transfer Agents:

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

SHARE TRANSFER SYSTEM:

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



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Shareholding pattern as on 31st March 2016:

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)	1100	0.00
	Sub Total B1	1100	0.00
B2.	Non Institutions Bodies Corporate Individuals Individuals share holders holdings nominal share capital upto Rs. 2 Lakhs Individual Shareholding holding nominal share capital in excess of Rs. 2 Lakhs Any Other (Specify) NRIs/OCBs Foreign Collaborators Clearing Members	2257340 3308871 3188909 39581 133820	13.14 19.26 18.56 0.23 0.78
	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 as on 31st March, 2016

Sl. No.	Category From - To Rs Rs	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1	Up to - 5000	3640	73.04	7382430	4.30
2	5001 - 10000	661	13.25	5791060	3.37
3	10001 - 20000	310	6.21	4987270	2.90
4	20001 - 30000	99	1.98	2582310	1.50
5	30001 - 40000	43	0.86	1565130	0.91
6	40001 - 50000	43	0.86	2062390	1.20
7	50001 - 100000	89	1.78	6648660	3.87
8	100001 and above	100	2.00	140754750	81.94
	Total	4985	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.

77.41% of total equity share capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2016.

CEO & CFO Certifications

The CEO& CFO of the Company gave annual certificates on financial reporting and internal controls to the Board in terms of **Part B Schedule II of SEBI (Listing Obligations & Disclosure Requirements) 2015**

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

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

Address for correspondence:

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

REGISTRAR&TRANSFER AGENT

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

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

I hereby certify that the Board Members and Senior Management Personnel of Ambica Agarbathies Aroma & Industries Limited have affirmed compliance with the Code for the Financial Year 2015-16.

Sd/-

Ambica Krishna
Chairman & Managing Director



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

**CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER
(CEO&CFO) CERTIFICATE:**

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

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2016.
2. To the best of our knowledge and belief:
 - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - b) The financial statements and other financial information included in this report present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5.
 - a) There has not been any significant change in internal control over financial reporting during the year under reference;
 - b) There has not been any significant changes in accounting policies during the year under reference; and
 - c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Eluru
Date: 12.08.2016

Sd/-
AMBICA HANUMA
Chief Financial Officer



SECRETARIAL AUDIT REPORT

For the financial year ended 31st march, 2016

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

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

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

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (not applicable during the audit period)
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable during the audit period)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- d) The Securities and Exchange Board of India (Share Based employee benefits regulations 2014 (not applicable during the audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the audit period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable during the audit period) and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable during the audit period)
 - i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) 2015 As applicable
- (vi) Acts Specifically applicable to the Company:
- Food Safety and Standards Act,
 - Transfer of Property Act,

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. As Applicable

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

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

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

For P S Rao & Associates,
Company Secretaries

Place: Hyderabad
Date: 12.08.2016

Sd/-
P S Rao
Company Secretary
C P No: 3829
M. No: 9769



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

**ANNEXURE – IV
DETAILS OF RELATED PARTY TRANSACTIONS**

FORM NO. AOC – 2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: No transactions.

2. Details of material contracts or arrangement or transactions at arm's length basis

(Amount in Lakhs)

S.NO	Name of the Related party	Nature of Relationship	Nature of Transaction	For the year Ended 31 March 2016
1	Ambica Krishna	Managing Director	Remuneration	24
2	Ambica Ramachandra Rao	Director	Remuneration	12
3	A B N V R A Hanuma	CFO	Remuneration	12
4	A Siva Kumar	COO	Remuneration	12
5	ACP Industries Ltd	Enterprises over which parties referred in (C) or (D) As stated above are having Significant influence of Durbar Bathies	Purchase	3,929



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

ANNEXURE – V

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

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	AMBICA AGARBATHIES	24248	77.48%
2	HOTEL	5510	17.43%
3	CONSTRUCTION	4510	5.09%

*Since the Construction Company has new projects which are at the Finishing Stage and The overall performance and turnover should be addressed in the forth coming Years.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Ambica Trendset Private Limited	U45209AP2012PTC103676	Wholly owned subsidiary	100%	Section 2(87)

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7367349	880430	8247779	48.02	7367349	880430	8247779	48.02	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter (A)	7367349	880430	8247779	48.02	7367349	880430	8247779	48.02	0.00
B. Public Shareholding									
1. Institutions									
i) FIIs	1750	0	1750	0.01	1100	0	1100	0.01	0.00
Sub-total (B)(1):-	1750	0	1750	0.01	1100	0	1100	0.01	0.00
2. Non-Institutions									
a) Bodies Corp.	749426	1900000	2649426	15.42	357340	1900000	2257340	13.14	2.28
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2743602	199009	2942611	17.93	-	-	-	-	-
up to Rs. 2 lakh	-	-	-	17.93	3109832	199039	3308871	19.26	(1.33)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2368247	900000	3268247	19.03	-	-	-	-	-
Rs 2 lakh	-	-	-	-	2288909	900000	3188909	18.56	(0.47)
c) Others (specify)									
Non Resident Indians	50185	0	50185	0.29	39581	0	39581	0.23	(0.06)
Clearing Members	17402	0	17402	0.10	133820	0	133820	0.78	(0.68)
Sub-total (B)(2):-	5928862	2999009	8927871	51.97	5930582	2999039	8929621	51.98	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5930612	0	8929621	51.98	5930582	2999039	8929621	51.98	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	13297961	3879439	17177400	100	13297931	3879469	17177400	100	0.00



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

B) Shareholding of Promoter:

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

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

D) Shareholding Pattern of top ten Shareholders:

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

SN	Name	Shareholding		Date	Increase/ decrease In share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning (01-04-14)/end of the year (31-03-2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	Trinethra Infra Ventures Limited	1900000	11.06	1/4/2015	0	Nil Movement During the year		
		1900000	11.06	31/3/2016	0		1900000	11.06
2	Puvvada Bhaskar Rao	900000	5.24	1/4/2015	0	Nil movement During the year		
		900000	5.24	31/3/2016	0		900000	5.24



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

3	Marwadi shares and finance ltd.	218732	1.27	01/4/2015	0	Transfer		
		0	0	31/3/2016	0		0	0
4	Palla anuradha	172188	1.00	01/4/2015	0	Nil Movement During the Year		
		172188	1.00	31/3/2016	0		172188	1.00
5	Venkata Sailesh Kumar Lingamallu	144890	0.84	01/4/2015	0	Nil Movement During the Year		
		144890	0.84	31/3/2016	0		144890	0.84
6	Dheeraj Kumar Lohia	121443	0.71	01/4/2015	0	Nil Movement During the Year		
		121443	0.71	31/3/2016	0		121443	0.71
7.	ANS Pvt Limited	113014	0.66	01/4/2015	0	Nil Movement During the Year		
		113014	0.66	31/3/2016	0		113014	0.66
8.	Divakar Atluri	111659	0.65	01/4/2015	0	Nil Movement During the Year		
		111659	0.65	31/3/2016	0		111659	0.65
9.	Grandhi Sri Venkata Amarendra	102960	0.60	01/4/2015	0	Nil Movement During the Year		
							0	0.00
		102960	0.60	31/3/2016			102960	0.60
10.	Pan Securities Ltd	151353	0.88	01/4/2015		Nil Movement During the Year		
					0		151353	
		151353	0.88	31/3/2016			151353	0.88
11	Manishaben s. Bhanderi*	0	0.00	01/4/2015		Purchase		
					128732		128732	0.75
		128732	0.75	31/3/2016				

*Marked shareholders were not present in the list of top ten shareholders as on 01.04.2015 and are reflecting in the above list since they are in the top ten list as on 31.03.2016 in the above top ten is clear but dates on when purchase and sale is not able to find out in sellers and buyers list tab of www.vccipl.com



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

E) Shareholding of Directors and Key Managerial Personnel:

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

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

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,48,23,418	3,16,96,940	3,48,83,916	34,14,04,274
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
Total (i+ii+iii)	27,48,23,418	3,16,96,940	3,48,83,916	34,14,04,274
Change in Indebtedness during the financial year				
* Addition	29,17,70,844	-	-	29,17,70,844
* Reduction		25,00,000	27,80,140	52,80,140
Net Change	29,17,70,844	(25,00,000)	(27,80,140)	28,64,90,704
Indebtedness at the end of the financial year				
i) Principal Amount	56,65,94,262	2,91,96,940	3,21,03,776	62,78,94,978
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
Total (i+ii+iii)	56,65,94,262	2,91,96,940	3,21,03,776	62,78,94,978



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SN.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Ambica krishna	Ambica Rama Chandrarao	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	12,00,000	36,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total (A)	2400000	1200000	3600000
	Ceiling as per the Act,*			-

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

B. Remuneration to other Directors: NIL

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary		1,80,000	12,00,000	13,80,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	Others specify...				
5	Others, please specify				
	Total		1,80,000	12,00,000	13,80,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

‘Annexure VI’

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

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

Name of the Director/Key Managerial Personnel	Remuneration of Director KMP for the financial year 2015-16	% increase in Remuneration in the financial year 2015-16	Ratio of the remuneration to the median remuneration of the employees
Ambica Krishna	24,00,000	166.66%	17.52
Ambica Ramachandra Rao	12,00,000	100%	8.76
Ambica Hanuma	12,00,000	100%	8.76
Mohit Khandelwal	1,80,000	100%	1.31

Note: The median remuneration of employees of the Company during the financial year was Rs.137000

- B. The percentage increase in the median remuneration of employees in the financial year:6.20%**
C. The number of permanent employees on the rolls of company: 390
D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the salaries of employees other than the managerial personnel in 2015-16 was 83%. The Percentage increase in the managerial remuneration for the same financial year was Nil

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

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

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

For and on behalf of the Board
AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Sd/-
AMBICA KRISHNA
Chairman and Managing Director

Place: Eluru
Date: 12.08.2016



**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, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

We state that in respect of investor grievances received during the year ended 31st March, 2016 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: 12.08.2016

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMBICAAGARBATHIES AROMA AND INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of AMBICAAGARBATHIES AROMA AND INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. As per the information furnished to us the amounts of Rs.6,23,674 lying with the company in unpaid dividend account which have remained unclaimed or unpaid for a period of 7 years or more have not been transferred to the Investor Education and Protection Fund by the Company.

Sd/-

(T.S. AJAI)

Chartered Accountant
Membership No.025524

Place: Hyderabad
Date : 28.05.2016



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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 2016)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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) As informed by management, the title deeds of immovable properties are held in the name of the company.
- ii. As informed to us, the physical verification of the inventory was conducted as at the year-end by the Management, which in our opinion is reasonable and there were no material discrepancies noticed during the verification.
- iii. According to the information and explanations given to us the Company has made trade deposit of Rs.12,00,00,000/- (which is disclosed as long term loans and advances in the balance sheet as at 31.03.2016) to one Company covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount of such trade deposit outstanding during the year is Rs. 12,00,00,000 /- and the year-end balance of such trade deposit is Rs. 12,00,00,000/-.
- (a) The terms and conditions of the grant of such trade deposit is not prejudicial to the company's interest.
- (b) The trade deposit is interest free and is not repayable during the tenure of the trade agreement.
- (c) As explained in (b) above, the trade deposit is not repayable during the tenor of the trade agreement and hence the question of overdue does not arise.
- iv. The company has complied with the provisions of section 185 & 186 of the Companies Act, 2013, as may be applicable and to the extent applicable, in respect of loans, investments, guarantees & securities.
- v. According to the information and explanations given to us, the Company has not accepted any Deposits from the public. Accordingly, the provisions of clause (v) of the paragraph 3 of the order are not applicable to the Company.
- vi. According to the information and explanations given to us the maintenance of the cost records has not been specified by the Central Government under section 148(1) of the Companies Act 2013 in respect of the businesses carried on by the Company. Accordingly, the provisions of clause (vi) of the paragraph 3 of the order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, we are of the opinion that there are delays in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Value added tax and other statutory dues with the appropriate authorities. According to the information and explanations given to us, the Company had no liability of Excise duty and Customs duty during the year.

According to the information and explanations given to us, except outstanding dues as detailed in the chart below, there are no disputed arrears of outstanding statutory dues as at the last day of the financial year i.e 31 March 2016 for a period of more than six months from the date they became payable.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

According to the information and explanations given to us, except outstanding dues as detailed in the chart below, there are no undisputed arrears of outstanding statutory dues as at the last day of the financial year i.e 31 March 2016 for a period of more than six months from the date they became payable.

S.No	Particulars	Period to which amount relates	Amount
1	Works contracts (TDS) – Construction division	2007-08	13,20,000
2	Works contracts (TDS) – Construction division	2008-09	8,85,388
3	Works contracts (TDS) – Hotel division	2011-12	3,92,312
4	Income tax	2011-12	28,00,180
5	Income tax	2009-10	51,59,370

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

Name of the Statue	Nature of the dues	Demand (Rs.)	Year to which the amount related	Forum where dispute is pending
Income Tax Act, 1961	Asst. made u/s. 143(3) r.w.s. 147	75,81,340/-	AY 2010-11	CIT(A), Chennai, Tamil Nadu.
Income Tax Act, 1961	Asst. made u/s. u/s. 143(3) r.w.s. 147	22,90,324/-	AY 2012-13	CIT(A), Chennai, Tamil Nadu.
Income Tax Act, 1961	Asst. made u/s. 143(3)	79,77,950	AY 2013-14	CIT(A), Chennai, Tamil Nadu.

- viii. 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 Indian overseas bank, pondicherry, installment payments aggregating to Rs. 34,96,760 were outstanding as on 31st march 2016.
- ix. During the year under consideration, there were no moneys raised by way of initial public offer or further public offer by the company. The term loans taken by the company were applied for the purposes for which they were raised.



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

- x. 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.
- xi. The company have complied with the provisions of section 197 read with Schedule V to the Companies Act 2013, in respect of the remuneration paid or provided to the directors.
- xii. The company is not a Nidhi company, hence the clause (xii) is not applicable to the company.
- xiii. In our opinion and according to the information and explanation given to us, all the transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 and the details have been disclosed in the financial statements as required by the Accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence the clause (xiv) is not applicable to the company.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of section 192 of the companies Act, 2013 are not attracted.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Hyderabad
Date : 28.05.2016



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF AMBICA AGARBATHIES AROMA AND
INDUSTRIES LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of
the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of AMBICA AGARBATHIES AROMA AND INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

The Company has internal financial control, which requires improvement, commensurate with the size of the Company and the nature of its business.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all respects, adequate internal controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and the material weakness do not affect our opinion on the standalone financial statements of the Company.

Place : Hyderabad

Date : 28.05.2016

(T.S. AJAI)

Chartered Accountant
Membership No.25524



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH , 2016

Particulars	Note No	As at 31.3.2016 ₹	As at 31.3.2015 ₹
I. EQUITY AND LIABILITIES			
1 Share holders funds			
(a) Share capital	2	17,12,94,623	17,12,94,623
(b) Reserves and surplus	3	18,99,67,273	18,80,88,956
(c) Money received against share warrants		-	-
		36,12,61,896	35,93,83,579
(2) Share application money pending allotment	4	1,99,685	1,99,685
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	14,32,93,232	31,22,07,334
(b) Deferred tax liabilities (Net)	6	4,81,34,062	4,74,69,094
(c) Other long-term liabilities	7	2,91,96,940	2,91,96,940
(d) Long-term provisions	8	-	4,15,872
		22,06,24,234	38,92,89,240
(4) Current Liabilities			
(a) Short-term borrowings	9	46,49,11,366	26,36,16,258
(b) Trade payables	10	3,46,85,513	2,86,16,449
(c) Other current liabilities	11	99,13,178	3,62,55,194
(d) Short-term provisions	12	2,01,87,874	1,85,82,310
		52,96,97,931	34,70,70,211
TOTAL		1,11,17,83,746	1,09,59,42,715
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	13.1	38,06,61,615	39,44,22,287
(ii) Intangible assets	13.2	2,05,291	78,470
(iii) Capital work-in-progress	13.3	9,74,50,891	14,03,41,948
		47,83,17,797	53,48,42,705
(b) Non-current investments	14	1,00,000	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	15	14,50,33,728	14,67,47,642
(e) Other non-current assets		-	-
		62,34,51,525	68,15,90,347
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	16	21,40,59,880	21,56,88,010
(c) Trade receivables	17	7,45,38,705	8,55,31,630
(d) Cash and cash equivalents	18	45,78,202	1,45,60,532
(e) Short-term loans and advances	19	5,27,34,971	5,79,88,609
(f) Other current assets	20	14,24,20,463	4,05,83,587
		48,83,32,221	41,43,52,368
Division Balances		-	-
TOTAL		1,11,17,83,746	1,09,59,42,715

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

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

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

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Hyderabad
Date : 28.05.2016

Sd/-
AMBICA HANUMAN
CFO

Sd/-
MOHIT KHANDEIWA
Company Secretary



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Note No	For the Year Ended 31.3.2016 ₹	For the year Ended 31.3.2015 ₹
I. Revenue from operations	21	1,15,67,39,597	1,15,67,76,927
II. Other income	22	1,44,04,278	64,74,485
III. TOTAL REVENUE (I+II)		<u>1,17,11,43,875</u>	<u>1,16,32,51,412</u>
IV. Expenses:			
(a) Cost of materials consumed	23	21,32,00,819	19,65,15,873
(b) Purchases of stock-in-trade	24	40,70,15,460	43,53,27,614
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade "	25	(9,96,577)	(2,18,74,568)
(d) Employee benefits expense	26	4,45,25,832	4,01,54,964
(e) Finance costs	27	8,96,64,441	9,23,64,957
(f) Depreciation and amortisation expense	13	3,24,43,129	3,57,47,865
(g) Other expenses	28	36,51,10,215	36,56,63,808
TOTAL EXPENSES		<u>1,15,09,63,319</u>	<u>1,14,39,00,513</u>
V. PROFIT BEFORE TAX (III-IV)		<u>2,01,80,556</u>	<u>1,93,50,899</u>
VI. Tax expense:			
(i) Current tax	29	59,94,950	40,00,000
(ii) Deferred tax		6,64,968	10,00,000
		<u>66,59,918</u>	<u>50,00,000</u>
VII. PROFIT (LOSS) FOR THE PERIOD (V-VI)		<u>1,35,20,638</u>	<u>1,43,50,899</u>
VIII. Earnings per equity share : Basic and diluted	30	<u>0.79</u>	<u>0.84</u>
IX. NOTES FORMING PART OF THE FINANCIAL STATEMENT	1-32		

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

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

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Hyderabad
Date : 28.05.2015

Sd/-
AMBICA HANUMAN
CFO

Sd/-
MOHIT KHANDEIWAL
Company Secretary



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2015-2016

Particulars	For the Year Ended 31.3.2016 ₹	For the year Ended 31.3.2015 ₹
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	2,01,80,556	1,93,50,899
Adjustment for :		
Interest Expenditure	8,96,64,441	9,23,64,957
Interest Income	(1,01,990)	(1,36,493)
Depreciation	3,24,43,129	3,57,47,865
Other Non Cash Exp		
Loss on sale of Fixed assets		9,80,536
	12,20,05,580	12,89,56,865
Operating profit before working capital changes	14,21,86,136	14,83,07,764
Changes in working capital		
Adjustments for :		
Decrease / (Increase) in Inventories	16,28,130	(7,12,85,945)
Decrease / (Increase) in Trade Receivables	1,09,92,925	(1,23,64,963)
Decrease / (Increase) in Other Current Assets	(10,18,36,877)	31,20,427
Increase / (Decrease) in Other Current Liabilities and provisions	(2,51,52,324)	(5,57,59,844)
Increase / (Decrease) in Trade payables	60,69,065	(1,35,96,239)
	(10,82,99,081)	(14,98,86,564)
Cash generated from operations	3,38,87,055	(15,78,799)
Taxes paid (Net of refund)	(1,13,94,630)	(24,15,700)
Net Cash generated from Operating Activities	2,24,92,425	(39,94,499)
II. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	1,01,990	1,36,493
Increase in Share Capital and Share Premium	-	-
Purchase of Tangible / Intangible assets	(2,24,28,851)	(4,51,98,555)
Proceeds from disposal of fixed assets	5,41,03,094	1,33,79,956
Decrease / (Increase) in Loans and Advances	(69,67,552)	19,77,75,887
Dividend received	-	-
Net cash used in Investing activities	2,48,08,681	16,60,93,781
III. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long term borrowings	(16,89,14,103)	(6,94,48,061)
Increase / (Decrease) in Short term borrowings	20,12,95,108	69,39,741
Interest paid	(8,96,64,441)	(9,23,64,957)
Net cash provided by / (used in) financing activities	(5,72,83,436)	(15,48,73,277)
Net Increase / (Decrease) in cash and cash equivalents (I+II+III)	(99,82,330)	72,26,005
Opening balance of cash and cash equivalents	1,45,60,532	73,34,527
Closing balance of cash and cash equivalents	45,78,202	1,45,60,532
Increase / (Decrease) in cash or cash equivalents	(99,82,330)	72,26,005
Cash and cash equivalents comprise of:		
Cash on hand	15,82,875	34,21,602
Cheque on hand		
Balances with banks	29,95,327	1,11,38,930
Total	45,78,202	1,45,60,532

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

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

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

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Hyderabad
Date : 28.05.2015

Sd/-
AMBICA HANUMAN
CFO

Sd/-
MOHIT KHANDEIWAL
Company Secretary

FINANCIAL STATEMENTS

STANDALONE



Notes forming part of the Financial Statements

1) Significant accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Use of estimates

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

1.3 Current and non-current classification

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

Assets

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

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

All other assets are classified as non-current.

Liabilities

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

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

All other liabilities are classified as non-current.

Operating cycle

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



1.4 Fixed Assets:

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

1.5 Depreciation:

The Company adopts a policy to provide depreciation on Straight Line Method as per Schedule II of the Companies Act, 2013. 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.



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Note No : 2 SHARE CAPITAL

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015	
		No. of Shares	Amount	No. of Shares	Amount
I.	Authorised -“2,10,00,000 Equity Shares, face value of Rs.10/- each “	2,10,00,000	21,00,00,000	2,10,00,000	21,00,00,000
II.	Issued,Subscribed -“1,71,77,400 Equity Shares, face value of Rs.10/- each “	1,71,77,400	17,17,74,000	1,71,77,400	17,17,74,000
III.	Paid-up Capital Less: Calls in Arrears By Directors By Others		- 4,79,377		- 4,79,377
	Paid up Capital	1,71,77,400	17,12,94,623	1,71,77,400	17,12,94,623

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

(Amount in ₹)

Sl. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015	
		No. of Shares	Amount	No. of Shares	Amount
I	Equity Shares At the beginning of the period Add: Issued during the period “Less: Brought bank during the year”	1,71,77,400 - -	17,17,74,000 - -	1,71,77,400 - -	17,17,74,000 - -
	Outstanding at the end of the period	1,71,77,400	17,17,74,000	1,71,77,400	17,17,74,000

b) Rights, Preferences and restrictions attached to shares

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

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

Sl. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015	
		No. of Shares	% of share Holding	No. of Shares	% of share Holding
	Equity Shares				
	Trinethra Infra Ventures Limited	19,00,000	11.06%	19,00,000	11.06%
	Agnvsa Ramchandra Rao	14,64,950	8.53%	14,64,950	8.53%
	P V V P Krishna Rao	13,91,701	8.10%	13,91,701	8.10%
	Alapati Ramanjaneyulu	12,38,700	7.21%	12,38,700	7.21%
	Rajeshwar Rao Alapati	12,11,213	7.05%	12,11,213	7.05%
	Puvvada Bhaskar Rao	9,00,000	5.24%	9,00,000	5.24%

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

Note No : 3 RESERVE AND SURPLUS

Sl. No.	Particulars	As at March 31, 2016	As at March31, 2015
(a)	Capital Reserves		
	Opening Balance	19,15,503	19,15,503
	Add: Additions during the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	19,15,503	19,15,503
(b)	Share Premium Account		
	Opening Balance	2,48,00,035	2,48,00,035
	Add: Additions during the year	-	-
	Less: Utilised during the year		
	Closing balance	2,48,00,035	2,48,00,035
(c)	General Reserve		
	Opening Balance	1,77,72,017	1,77,72,017
	Add: Additions during the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	1,77,72,017	1,77,72,017
(d)	Surplus from Statement of Profit and Loss		
	Balance brought forward from previous year	14,36,01,401	12,92,50,502
	Add: Profit for the year	1,35,20,638	1,43,50,899
	Less: Prior Period adjustment		
	Provision for income tax of earlier years on account of interest due to delayed payment of tax and disallowance made in the assessment	(1,16,42,321)	
	Closing balance	14,54,79,718	14,36,01,401
	Total Reserves and Surplus (a+b+c+d)	18,99,67,273	18,80,88,956



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

(Amount in ₹)

Note No : 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

Sl. No.	Particulars	As at March 31, 2016	As at March31, 2015
	Share Application Money	1,99,685	1,99,685
		1,99,685	1,99,685

Note No. : 5 LONG -TERM BORROWINGS

S. No.	Particulars	As at March 31, 2016	As at March31, 2015
(a)	Term Loans		
	Secured		
	Agarbathi Division		
	- from banks	10,16,82,897	12,24,88,312
	- from other parties	19,80,343	25,00,000
		10,36,63,240	12,49,88,312
	Term Loans		
	Secured		
	Hotel Division		
	- from banks	0	15,23,35,106
	- from other parties	75,26,216	-
		75,26,216	15,23,35,106
	Total	11,11,89,456	27,73,23,418

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

Sl. No.	Particulars	As at March 31, 2016	As at March31, 2015
(b)	Other Loans and Advances		
	(i) Agarbathi division		
	Others (unsecured)		
	Trade Deposits From Distributors Of Durbar Bathies	74,26,775	89,42,375
	Trade Deposits From Distributors Of Scented	2,46,77,001	2,59,41,541
	(ii) Hotel Division		
	Trade Payable		
	Others		
	Total (i+ii)	3,21,03,776	3,48,83,916
	Grand Total (a+b)	14,32,93,232	31,22,07,334



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

(c) Repayment terms of Long Term Loans

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
2	Agarbathi Division IOB Rental Discounting Term Loan	8,22,89,125	“ Repayable by February 2021, In Monthly Installments “

(d) Details of Securities Pledged

Sl. No.	Securities Pledged	
	First Charge on Future Rent Receivables of the company.	
1	Collateral security of EM land admeasuring 8064 sq ft and building of 21000 sq ft thereon situated at T.S. No 26, block no. 41 New No 32 Arcot Road Kodambakkam, Chennai owned by Mr.PVV Krishna Rao and 6 others.	IOB Rental Discounting Term Loan

(e) Delays in repayment of term loans

Loan	Range of No. of days of delay	Amount of installments
IOB Rental discounting loan	02-87	34,96,760
Total	2 - 87	34,96,760

Note No : 6 DEFERRED TAX LIABILITIES (NET)

Sl. No.	Particulars	As at March 31, 2016	As at March31, 2015
	Deferred Tax Liability	4,81,34,062	4,74,69,094
	Total	4,81,34,062	4,74,69,094



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 7 OTHER LONG TERM LIABILITIES

(Amount in ₹)

Sl. No.	Particulars	As at March 31, 2016	As at March31, 2015
	Construction Division		
	-APSRTC - Vijayawada	2,31,48,063	2,31,48,063
	-APSRTC - Vizag		
	-Other Advances	60,48,877	60,48,877
	Total	2,91,96,940	2,91,96,940
	Grand Total	2,91,96,940	2,91,96,940

Note No : 8 LONG TERM PROVISIONS

Sl. No.	Particulars	As at March 31, 2016	As at March31, 2015
	Agarbathi Division		
	- Provision for Income Tax	-	4,15,872
	Total	-	4,15,872

Note No : 9 SHORT TERM BORROWINGS

Sl. No.	Particulars	As at March 31, 2016	As at March31, 2015
	Agarbathi division		
	from Banks		
	Secured		
	Loans Repayable on Demand from Banks		
	-Corporation bank CC Loan	45,49,20,366	26,36,16,258
	-LC/000002/2016	24,97,750	-
	-LC/000003/2016	74,93,250	-
	Vehicle Loans (Secured)	-	-
	Total	46,49,11,366	26,36,16,258

Repayment terms of Short Term Loans

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
1	Corp Bank CMTCC Loan	45,49,20,366	Running account repayable on demand subject to annual
2	-LC/000002/2016	24,97,750	
3	-LC/000003/2016	74,93,250	



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Details of Securities Pledged

(Amount in ₹)

Sl. No.	Securities Pledged	
1	EMG of land admeasurin g 1.72 acres in S.No.72011 (0.38 acres) and 72012 (1.34 acres) at Ayansurandai Village, Veerakerlamputhur Taluk,Thirunalveli District falling under urandai SRO of the Company (Wind mil)	Corp Bank CMTCC Loan
2	Hyp/ first charge on P& M and other movable assets of the company (including WIP of Rs.12.09 Crore) including vehicle financed by our Bank	

Note No : 10 TRADE PAYABLES

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Agarbathi division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	2,71,46,403	1,53,54,216
(b)	Hotel Division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	75,39,110	1,32,62,233
(c)	Construction Division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	-	-
	Total	3,46,85,513	2,86,16,449

Note No : 11 OTHER CURRENT LIABILITIES

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Agarbathi division		
	(i) Current Maturities of Long Term Debt		
	(ii) Unpaid Dividend	6,23,674	6,23,674
	(iii) Other Payables	-	-
	-TDS Payable	3,69,796	4,00,432
	-VAT/CST/Entry Tax Payable	9,31,321	3,88,571
	-Deposits received from customers	37,032	82,996
	Other Payables	33,46,500	2,95,02,294
	Total	53,08,323	3,09,97,967



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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(Amount in ₹)

(b)	Hotel Division		
	Other Payables		
	Other Payables		
	-TDS Payable	38,968	2,10,974
	-VAT/CST/Entry Tax Payable	6,34,689	11,05,299
	- Import Liquor Tax Payable	65,888	25,404
	- Luxury Tax Payable	2,64,301	3,92,489
	-Sales Tax Payable	-	-
	- Service Tax Payable	5,09,137	7,55,045
	-Other current Liabilities	8,67,999	5,44,142
	Total	23,80,982	30,33,354
(c)	Construction Division	-	-
	Other Payables		
	-TDS Payable	22,05,388	22,05,388
	-Other current Liabilities	18,485	18,485
	Total	22,23,873	22,23,873
	Grand Total (a+b+c)	99,13,178	3,62,55,194

Note No : 12 Short term Provisions

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Agarbathi Division		
	Provision for Employee Benefits	33,940	34,762
	Provision for Income Tax	83,75,422	78,33,053
	Provision for Income Tax AY 2016-17	59,94,950	-
		1,44,04,312	78,67,815
	Hotel Division		
	Provision for Employee Benefits	57,83,562	1,07,14,495
		57,83,562	1,07,14,495
	Total	2,01,87,874	1,85,82,310

Note No : 14 Non-Current Investments

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Investment in Subsidiary	1,00,000	



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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13.1 : TANGIBLE ASSETS									
(Amount in ₹)									
Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01.04.2015	Additions During the Year	Deductions during the year	As at 01.04.2015	For the Year	Adjustments As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	13.1.1								
	Land								
	Agarbathi Division	15,68,931	-	-	-	-	-	15,68,931	15,68,931
	Hotel Division	42,14,968	-	-	-	-	-	42,14,968	42,14,968
	Empire - Chennai	42,14,968	-	-	-	-	-	42,14,968	42,14,968
	SUB TOTAL	57,83,899	-	-	-	-	-	57,83,899	57,83,899
2	13.1.2								
	Buildings								
	Agarbathi Division	1,94,81,318	-	-	74,47,109	4,99,880	-	1,15,34,319	1,20,34,209
	Hotel Division	17,30,40,294	-	6,27,633	2,26,54,747	27,75,814	-	14,69,82,100	15,03,85,546
	Empire - Chennai	10,43,71,171	-	-	1,99,00,286	16,40,307	-	2,15,40,593	8,28,30,578
	Seagreen- Vizag	6,76,28,327	-	-	23,49,939	11,26,866	-	34,76,805	6,41,51,522
	Flavours-Vizag	10,40,796	-	6,27,633	4,04,522	8,641	-	4,13,163	0
	SUB TOTAL	19,25,21,612	-	6,27,633	3,01,01,856	32,75,704	-	15,85,16,419	16,24,19,755
3	13.1.3								
	Plant & Machinery								
	Agarbathi Division	17,59,71,756	4,96,168	-	10,37,21,620	69,37,280	-	6,58,09,024	7,22,50,136
	Hotel Division	9,02,98,232	12,27,613	9,35,889	3,29,50,702	44,53,378	-	5,31,85,876	5,73,47,534
	Empire - Chennai	5,58,34,935	10,01,952	-	2,89,70,844	26,43,515	-	2,52,22,528	2,88,64,095
	Seagreen- Vizag	3,25,25,011	2,25,661	-	30,09,285	17,78,039	-	2,79,63,348	2,95,15,726
	Flavours-Vizag	19,38,286	-	9,35,889	9,70,573	31,824	-	10,02,397	9,67,713
	SUB TOTAL	26,62,69,988	17,23,781	9,35,889	13,66,72,322	1,13,90,658	-	11,89,94,900	12,95,97,670
4	13.1.4								
	Furniture & Fittings								
	Agarbathi Division	1,49,98,193	8,95,632	-	73,77,326	14,84,140	-	70,32,359	76,20,867
	Hotel Division	16,34,73,074	17,53,169	4,74,758	10,32,70,997	90,98,693	-	5,23,81,795	6,02,02,076
	Empire - Chennai	10,57,34,575	16,65,494	-	8,87,90,330	18,48,690	-	1,67,61,049	1,69,44,244
	Seagreen- Vizag	5,57,63,124	87,675	-	1,30,32,548	71,97,505	-	3,56,20,746	4,27,30,576
	Flavours-Vizag	19,75,375	-	4,74,758	14,48,119	52,498	-	0	5,27,256
	SUB TOTAL	17,84,71,267	26,48,801	4,74,758	11,06,48,323	1,05,82,833	0	5,94,14,154	6,78,22,943



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(Amount in ₹)

13.1: TANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		As at 01.04.2015	Additions During the Year	Deductions 31.03.2016	As at 01.04.2015	For the Year	As at 31.03.2015	As at 31.03.2015
5	13.1.5 Vehicles							
	Agarbathi Division	5,42,38,486	59,47,919	11,28,760	5,90,57,645	43,30,545	10,01,861	2,73,88,694
	Hotel Division	1,26,91,231	1,17,47,969	50,21,323	1,94,17,877	19,35,700	35,86,553	1,03,13,275
	Empire-Chennai	1,24,16,062	1,17,47,969	50,21,323	1,91,42,708	19,02,091	35,86,553	1,01,31,025
	Seagreen- Vizag	2,75,169	-	-	2,75,169	33,609	-	1,82,250
	SUB TOTAL	6,69,29,717	1,76,95,888	61,50,083	7,84,75,522	62,66,245	45,88,414	3,77,01,969
6	Others							
	13.1.6 Computers							
	Agarbathi Division	45,62,733	-	-	45,62,733	15,566	-	27,953
	Hotel Division	73,12,162	2,23,135	19,627	75,15,670	9,01,694	-	2,22,321
	Empire-Chennai	53,26,548	1,88,107	-	55,14,655	2,17,992	-	1,14,844
	Seagreen- Vizag	16,48,982	35,028	-	16,84,010	6,55,729	-	1,07,477
	Flavours-Vizag	3,36,632	-	19,627	3,17,005	27,973	-	0
	SUB TOTAL	1,18,74,895	2,23,135	19,627	1,20,78,403	9,17,260	1,18,28,129	2,50,274
	TOTAL- TANGIBLE	72,18,51,378	2,22,91,605	82,07,990	73,59,34,993	32,74,29,092	35,52,73,378	38,06,61,615
						3,24,32,700	45,88,414	39,44,22,287



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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13.2 : INTANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		As at 01.04.2015	Additions/ During the Year	Deductions As at 31.03.2016	As at 01.04.2015	For the Adjustment/ Year	As at 31.03.2016	As at 31.03.2015
1	13.2.1 Trade Marks							
	Agarbathi Division	10,97,750	1,37,250	-	10,19,280	10,429	10,29,709	78,470
	SUB TOTAL	10,97,750	1,37,250	-	10,19,280	10,429	10,29,709	78,470
2	13.2.2 Intangible Asset							
	Agarbathi Division	-	-	-	-	-	-	-
	Hotel Division	50,000	-	50,000	50,000	-	50,000	-
	Empire -Chennai	-	-	-	-	-	-	-
	Flavours-Vizag	50,000	-	50,000	50,000	-	50,000	-
	Seagreen- Vizag	-	-	-	-	-	-	-
	Construction Division	-	-	-	-	-	-	-
	SUB TOTAL	50,000	-	50,000	50,000	-	50,000	-
	TOTAL - INTANGIBLE	11,47,750	1,37,250	-	10,69,280	10,429	10,79,709	78,470

13.3 : CAPITAL WORK-IN-PROGRESS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		As at 01.04.2015	Additions/ during the Year	Deductions As at 31.03.2016	As at 01.04.2016	For the Adjustment/ Year	As at 31.03.2015	As at 31.03.2015
1	13.3.1 Work in Progress							
	Agarbathi Division	9,119	-	-	-	-	-	9,119
	Hotel Division	-	-	-	-	-	-	-
	Empire -Chennai	-	-	-	-	-	-	-
	Flavours-Vizag	-	-	-	-	-	-	-
	Seagreen Vizag	-	-	-	-	-	-	-
	Construction Division	14,03,32,829	-	4,28,91,057	9,74,41,772	-	9,74,41,772	14,03,32,829
	TOTAL-WIP	14,03,41,948	-	4,28,91,057	9,74,50,891	-	9,74,50,891	14,03,41,948
	GRAND TOTAL	86,33,41,076	2,24,28,855	5,10,99,047	32,84,98,372	3,24,43,129	35,63,53,087	47,83,17,797



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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Note No : 15 Long - Term Loans & Advances (Amount in ₹)

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Agarbathi Division		
	Unsecured, Considered good		
	Capital Advances		
	-Advance for capital project	-	-
	Security Deposits	1,39,18,627	1,34,51,207
	Loans and Advances to related Parties		
	-Trade Deposits	12,00,00,000	12,00,00,000
	Other Loans and Advances	0	7,59,874
	Total	13,39,18,627	13,42,11,081
(b)	Hotel Division		
	Unsecured, Considered good		
	Security Deposits	55,75,181	65,36,357
	Other Loans and Advances	0	2,50,877
	Total	55,75,181	67,87,234
(c)	Construction Division		
	Unsecured, Considered good		
	Security Deposits	55,39,920	57,49,327
	Other Loans and Advances		
	Total	55,39,920	57,49,327
	Grand Total (a+b+c)	14,50,33,728	14,67,47,642

Note No : 16 INVENTORIES

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	INVENTORIES		
	(At Lower of Cost and net realisable value)		
	Agarbathi Division		
	(a) Raw Materials	15,26,25,274	15,57,24,818
	(b) Finished Goods	5,16,46,396	5,06,49,819
	(c) Stores and Spares	-	-
	(d) Packing Material	62,98,467	53,02,011
	Total	21,05,70,137	21,16,76,648
	Hotel Division		
	Stock-in-hand	34,89,743	40,11,362
	Total	34,89,743	40,11,362
	Grand Total	21,40,59,880	21,56,88,010



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Note No : 17 TRADE RECEIVABLES

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Agarbathi Division		
	(a) " Outstanding for a period exceeding six months from the date they are due for payment "		
	Secured, considered good	-	-
	Unsecured, considered good	-	98,342
	(b) Others	-	-
	Secured, considered good	-	-
	Unsecured, considered good	6,87,66,913	7,69,11,428
	Total	6,87,66,913	7,70,09,770
	Hotel Division		
	a) " Outstanding for a period exceeding six months from the date they are due for payment "		
	Secured, considered good	-	-
	Unsecured, considered good	-	13,28,750
	b) Others	-	-
	Secured, considered good	-	-
	Unsecured, considered good	57,71,792	71,93,110
	Total	57,71,792	85,21,860
	Grand Total	7,45,38,705	8,55,31,630

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AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Note No : 18 CASH AND CASH EQUIVALENTS

(Amount in ₹)

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	(a) Agarbathi Division		
	(i) Balances With Banks		
	- Current Accounts	48,58,224	39,82,451
	- Earmarked balances	1,78,519	1,78,536
	- Deposit amounts		
	(ii) Cheques,drafts on hand		
	(iii) Cash on hand	12,81,025	23,26,075
	Total	63,17,768	64,87,063
	(b) Hotel Division		
	(i) Balances With Banks		
	- Current Accounts	(20,41,416)	69,77,943
	- Earmarked balances	-	-
	- Deposit amounts	-	-
	(ii) Cheques,drafts on hand	-	-
	(iii) Cash on hand	2,26,378	10,20,055
	Total	(18,15,038)	79,97,998
	(c) Construction Division		
	(i) Balances With Banks	-	-
	(ii) Cheques,drafts on hand	-	-
	(iii) Cash on hand	75,472	75,472
	Total	75,472	75,472
	Grand Total	45,78,202	1,45,60,532

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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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Note No : 19 SHORT - TERM LOANS AND ADVANCES

(Amount in ₹)

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	(a) Agarbathi Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	3,00,00,000	3,00,00,000
	Loans and advances to related parties	-	-
	with Acp for supply of durbar bathies	-	-
	Others		
	With Statutory Authorities	4,05,270	75,153
	Other Loans and advances	12,46,574	72,02,326
	Total	3,16,51,844	3,72,77,479
	(b) Hotel Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	-	-
	Loans and advances	-	-
	Others		
	With Statutory Authorities	4,34,827	-
	Other Loans and advances	1,13,300	1,66,130
	Total	5,48,127	1,66,130
	(c) Construction Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	2,05,25,000	2,05,25,000
	Others		
	With Statutory Authorities	-	-
	Other Loans and advances	10,000	20,000
	Total	2,05,35,000	2,05,45,000
	Grand Total	5,27,34,971	5,79,88,609



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 20 OTHER CURRENT ASSETS

(Amount in ₹)

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Agarbathi Division		
	Interest Receivable	-	-
	Others	13,49,67,833	3,75,25,253
	Total	13,49,67,833	3,75,25,253
	Hotel Division		
	Interest Receivable	-	-
	Others	14,97,464	30,58,333
	Total	14,97,464	30,58,333
	Construction Division		
	Interest Receivable	-	-
	Others	-	-
	TDS RECEIVABLE	59,55,166	-
	Total	59,55,166	-
	Grand Total	14,24,20,463	4,05,83,587

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AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Note No : 21 REVENUE FROM OPERATIONS

(Amount in ₹)

Sl. No.	Particulars	For the year Ended 31.3.16	For the year Ended 31.3.15
	a) Agarbathi Division		
	(i) Sale of Products		
	Ambica Durbar Bathies	59,99,57,845	64,46,20,309
	Ambica Scented Bathies	27,94,98,967	28,80,55,661
	Oil Sales	29,54,459	-
	Camphor Sales	7,59,182	-
	Dal Sales	1,04,76,000	-
	(ii) Other operating revenues	-	-
	Less: Excise Duty		
	Total	89,36,46,453	93,26,75,970
	(b) Hotel Division		
	(i) Sale of Products		
	Food Sales	9,36,66,338	11,55,17,085
	(ii) Sale of Services		
	Rent Receipts	5,27,81,543	4,94,21,767
	Hospitality Income	4,38,62,149	4,35,12,651
	Foreign currency fluctuations	69	37,218
	Income my time spa	6,33,425	1,44,100
	(iii) Other operating revenues	1,25,97,870	1,54,68,135
	Less: Excise Duty		
	c) Construction Division	5,95,51,750	-
	Total	26,30,93,144	22,41,00,957
	Grand Total (a+b+c)	1,15,67,39,597	1,15,67,76,927

FINANCIAL STATEMENTS
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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 22 OTHER INCOME

(Amount in ₹)

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
(a)	Agarbathi Division		
	Interest Income	-	-
	Dividend Income	-	-
	Net gain/ loss on sale of vehicles	6,101	-
	Other non-operating income	1,42,96,187	63,37,992
	Total	1,43,02,288	63,37,992
(b)	Hotel Division		
	Interest Income	1,01,990	1,36,493
	Total	1,01,990	1,36,493
	Grand Total (a+b)	1,44,04,278	64,74,485

Note No : 23 COST OF MATERIAL CONSUMED

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
(a)	Agarbathi Division		
	Opening Stock	-	-
	Raw Material	15,57,24,818	10,73,15,548
	Packing Material	53,02,011	42,90,482
		16,10,26,829	11,16,06,030
	Add: Purchases		
	Raw Material	8,82,63,725	15,21,50,253
	Packing Material	3,35,54,160	3,70,67,481
	Total	12,18,17,885	18,92,17,734
	Sub total	28,28,44,714	30,08,23,764
	Less: Closing Stock		
	Raw Material	15,26,25,274	15,57,24,818
	Packing Material	62,98,467	53,02,011
		15,89,23,741	16,10,26,829
	Total	12,39,20,973	13,97,96,935



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

**FINANCIAL STATEMENTS
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(Amount in ₹)

	(b) Hotel Division :		
	Opening Stock	-	-
	Provisions and Other Raw Material		
	Add: Purchases	4,39,09,011	5,67,18,938
	Sub total	4,39,09,011	5,67,18,938
	Less: Closing Stock	-	-
	Provisions and Other Raw Material		
	Total	4,39,09,011	5,67,18,938
	c) Construction Division	4,53,70,835	
	Grand Total (a+b)	21,32,00,819	19,65,15,873

Note No : 24 PURCHASES OF STOCK-IN-TRADE

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
	Durbarbathi Purchased	39,29,34,795	43,53,27,614
	Oil Purchase	31,17,145	
	Camphor Purchase	9,72,520	
	Maize & Dall Purchase	99,91,000	
		40,70,15,460	43,53,27,614

Note No : 25 CHANGES IN INVENTORIES OF FINISHED GOODS

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
	CLOSING STOCK DURBAR	3,48,23,583	3,48,23,583
	CLOSING STOCK SCENTED	1,58,26,236	1,58,26,236
	CLOSING STOCK OIL	7,15,873	
	CLOSING STOCK CAMPHOR	2,80,704	
	Opening Balance	5,06,49,819	2,87,75,251
	Net increased/decreased	(9,96,577)	(2,18,74,568)



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

(Amount in ₹)

Note No : 26 EMPLOYEE BENEFIT EXPENSES

Employee Benefit Expenses Consist of the following :

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
	(a) Agarbathi Division :		
	Salaries and Incentives	2,40,17,501	1,95,65,431
	Contribution to -		
	(i) Provident Fund	2,16,291	1,88,756
	(ii) Employee State Insurance	10,500	10,836
	(iii) Bonus	-	50,000
	(iv) Gratuity	-	-
	Staff welfare Expenses	21,01,762	15,40,593
	Total	2,63,46,054	2,13,55,616
	(b) Hotel Division :		
	Salaries and Incentives	1,58,75,049	1,58,63,524
	Contribution to -		
	(i) Provident Fund	7,65,593	14,92,629
	(ii) Employee State Insurance	2,60,173	3,91,678
	(iii) Bonus	-	1,21,015
	(iv) Gratuity	-	-
	Staff welfare Expenses	12,78,963	9,30,502
	Total	1,81,79,778	1,87,99,348
	Grand Total (a+b)	4,45,25,832	4,01,54,964



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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Note No : 27 FINANCE COSTS

(Amount in ₹)

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
	(a) Agarbathi Division :		
	Interest expenses	6,13,72,648	5,96,22,632
	Other Borrowing Costs	57,26,113	43,95,110
	Applicable gain/loss on foreign currency transactions and translation	-	1,70,114
	Total	6,70,98,761	6,41,87,856
	(b) Hotel Division :		
	Interest expenses	2,10,01,740	2,66,98,893
	Other Borrowing Costs	15,63,940	14,78,208
	Applicable gain/loss on foreign currency transactions and translation	-	-
	Total	2,25,65,680	2,81,77,101
	Grand Total (a+b)	8,96,64,441	9,23,64,957

Note No : 28 OPERATING AND OTHER EXPENSES

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
	(a) Agarbathi Division :		
	Agarbathi Making and Packing Charges	1,16,30,568	1,25,76,739
	Electricity Charges	39,76,467	40,26,226
	Fuel & Generator Maintenance	39,406	12,76,140
	Charities And Donations	28,06,453	6,16,016
	Consultancy Charges	7,42,393	2,71,779
	Insurance Premium	28,32,690	20,37,405
	Internal Auditors Fee	1,80,000	-
	Audit Fee	8,74,800	15,44,911
	Listing Fee	-	1,55,304
	Miscellaneous Expenses	1,82,147	34,290
	Office Maintenance	15,02,771	8,76,717
	Postage And Courier	1,39,301	1,47,998
	Printing And Stationary	4,66,453	3,34,876
	Professional Charges	6,59,822	
	Rates And Taxes	14,55,288	8,89,838
	Rent	15,81,568	13,17,428
	Repairs to Building	31,77,957	12,16,453
	Repairs to Machinery	14,24,686	36,81,789
	Repairs to Other Assets	32,46,223	25,96,789
	Telephone And Communication Expenses	32,46,168	20,00,238
	Travelling And Conveyance Expenses	1,07,11,700	68,79,071



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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		(Amount in ₹)	
	Vehicle Maintenance	84,79,399	94,46,513
	Advertisement and Sales Promotions	3,11,03,483	1,93,82,603
	Freight and Dispatch Expenses	1,09,78,915	1,18,51,731
	Trade Discount on Sales	12,06,14,611	12,99,28,817
	Turnover and Entry Taxes	3,79,72,528	3,22,76,464
	CPCCommission	-	48,076
	Total	26,00,25,797	24,54,14,211
(b)	Hotel Division :		
	Publicity Expenses	8,250	9,250
	Computer Maintenance	2,94,539	2,24,797
	Consultancy Charges	3,80,159	2,96,274
	Conveyance	2,77,370	2,72,196
	Electricity Charges	1,74,93,996	1,83,92,888
	Fuel Expenses	81,62,822	1,19,76,825
	House Keeping Charges	2,88,58,005	3,03,76,137
	Insurance	5,05,497	5,29,000
	Kitchen Expenses	45,87,860	42,29,493
	Miscellaneous Expenses	8,43,732	14,99,533
	Postage and Courier Expenses	86,786	4,60,738
	Printing & Stationary	13,12,248	18,32,554
	Rates and Taxes	17,40,924	17,53,092
	Rent	54,00,710	73,25,702
	Repair to Building	14,906	10,344
	Repair to Machinery	11,33,245	5,98,178
	Repairs to Other Assets	55,87,885	1,14,51,245
	Newspaper and Subscriptions	7,94,755	5,84,352
	Telephone Expenses	14,32,375	12,69,767
	Transport Expenses	7,89,347	9,01,651
	Travelling Expenses	3,23,177	1,35,611
	Uniform and Linen	3,00,297	2,59,916
	Vehicle Maintenance	17,21,743	22,37,564
	Advertisement Expenses	33,63,360	36,87,918
	Discounts allowed	1,82,535	1,74,771
	Turnover and Other Taxes	1,80,37,079	1,87,04,841
	Loss on Sale of Vehicles	-68,230	-1,81,264
	ADDL.DEMAND ON SALES TAX 2007 TO 2011	-	478
	DONATION	5,000	5,000
	FOOD FESTIVAL EXPENSES	3,71,511	1,05,378
	Internal Audit Fee	1,25,300	1,34,832
	LOSS ON CYCLONE HUD HUD	-	9,80,536
	AM CHARGES	-	10,000
	Total	10,40,67,183	12,02,49,597
c)	Construction Division		
	Cost of Construction	10,17,235	-
	Total	10,17,235	-
	Grand Total (a+b+c)	36,51,10,215	36,56,63,808



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

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Note No : 29 CURRENT TAX

(Amount in ₹)

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
	Income tax for the year		
	Current tax	59,94,950	40,00,000
	"Adjustment / (credits) related to Previous year-Net"		
	Current tax	6,64,968	10,00,000
	Total	66,59,918	50,00,000

Note No : 30 EARNINGS PER EQUITY SHARE

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
	BASIC AND DILUTED “		
	Profit after Tax	1,35,20,638	1,43,50,899
	No. of Equity Shares	1,71,29,462	1,71,29,462
	Face Value per Share	10	10
	Basic/(Diluted) Earning per Share	0.79	0.84

Note No : 31 ADDITIONAL INFORMATION

Sl. No.	Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
(i)	(a) Employee benefit expenses (refer note 26)	4,45,25,832	4,01,54,964
	(b) Depreciation and amortization expenses (refer note 13)	3,24,43,129	3,57,47,865
	(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	1,16,30,568	1,25,76,739
	Advertisement and Sales Promotions	3,11,03,483	1,93,82,603
	Freight and Dispatch Expenses	1,09,78,915	1,18,51,731
	Trade Discount on Sales	12,06,14,611	12,99,28,817
	Turnover and Entry Taxes	3,79,72,528	3,22,76,464
	Expenditure - Hotel Division		
	Electricity Charges	1,74,93,996	1,83,92,888
	Fuel Expenses	81,62,822	1,19,76,825
	House Keeping Charges	2,88,58,005	3,03,76,137
	Turnover and Other Taxes	1,80,37,079	1,87,04,841
	(d) Interest income	1,01,990	1,36,493
	(e) Interest expenses	8,96,64,441	9,23,64,957
	(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)	-	-



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

(Amount in ₹)

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	(j) Payment to auditors (i) auditor (ii) for taxation matters (iii) for company law matters (iv) for management services (v) for other services (vi) for reimbursement of expenses (k) Details of exceptional and extra-ordinary items (ii) (a) (i) Raw materials Raw Bathies and Bamboo sticks Compounds Chemicals, perfumes and others Paper board Posters and liners Other packing materials (ii) Goods purchased Purchase of durbar Bathies (iii) Expenditure incurred 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) Repairs to machinery (f) Insurance (g) Rates and taxes, excluding, taxes on income (h) Miscellaneous expenses (iv) (a) Value of imports calculated on CIF basis in respect of (i) Raw Materials (ii) Components and spare parts (iii) Capital goods (b) Expenditure in foreign currency (i) Travelling expenses (c) Value of raw materials, spares and parts, components consumed: Imported Indigenous Total consumption	8,74,800 - - - - - 8,74,800 3,56,31,675 1,64,45,388 3,92,86,206 2,01,85,776 68,37,118 55,34,810 39,29,34,795 - 2,56,56,818 54,00,710 31,92,863 14,24,686 28,32,690 31,96,212 10,25,879 - - - - - 21,32,00,819 21,32,00,819	8,42,700 - - - - - 8,42,700 4,04,58,983 1,86,73,377 4,46,08,623 2,23,54,690 75,71,750 61,29,512 43,53,27,614 - 3,03,69,713 73,25,702 12,26,797 36,81,789 20,37,405 26,42,930 15,33,823 - - - - - 19,65,15,873 19,65,15,873
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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS

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% of each to the total consumption		
Imported	0%	0%
Indigenous	100%	100%
(e) Earnings in foreign exchange		
i) Export of goods calculated on FOB basis	-	-
"ii) Royalty, know-how, professional and consultation fees"	-	-
iii) Interest and dividend	-	-
iv) Other income	-	-

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

Note No : 32

(Amount in ₹)

SI No.	Particulars	As at 31.3.16	As at 31.3.15
	1. Contingent Liabilities		
I	"Claims against the Company not acknowledged as debts"	Nil	Nil
II	Bank guarantee Issued to departments by:		
	"a) Andhra Bank- to Joint Commissioner of Sales Tax, Howrah"	2,80,000	2,80,000
	b) State Bank of India -		
	- to Commissioner of Customs Chennai	8,00,000	8,00,000
	- to Canteen stores Mumbai	24,00,000	40,20,000
	"c) Corporation Bank-		
	to canteen stores Department, Mumbai"	56,10,000	56,10,000
	to APTPC, Hyderabad	22,19,795	18,91,323
	to VUDA, Viskhapatnam	12,00,000	12,00,000
	to Commissioner of Customs Chennai	32,00,000	32,00,000
	d) Indian Overseas Bank-	15,29,50,713	15,29,50,713
	The Company has given corporate guarantee on behalf of its subsidiary Ambica Infraventures Pvt. Ltd., during the financial year 2010-11 the subsidiary has been sold to Mr. N. Srinivas The process of substitution of the said Corporate Guarantee by the new management of Ambica Infraventure Pvt. Ltd is in progress		
	e) Demands under the Income-Tax Act, 1961, against which the Company has preferred appeals	3,04,58,150	2,24,80,200
	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.		



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS
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Particulars	For the Year Ended 31.3.16	For the Year Ended 31.3.15
“Deferred Tax Liability/(Asset): On account of depreciation under Companies Act, 1956 and Income Tax Act, 1961 (Timing Difference)” 3. Directors’ Travelling Expenses: Domestic 3.34 2.56 Foreign - - 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 Ended 31.3.16	For the Year Ended 31.3.15
Segment Revenue		
Agarbathi Division	9,053	9,327
Hotel Division	2,036	2,241
Construction Division	596	-
Windmill Division	27	51
Increase/(Decrease) in stock	-10	-219
Total	11,701	11,400
Less: Inter Segment Revenue		
Net Sales/Income from Operation	11,701	11,400
Segment Results		
Agarbathi Division	757	987
Hotel Division	183	79
Construction Division	132	
Windmill Division	26.63	51
Total	1,098	1,117
Less: Financial Charges	897	924
Profit before Tax	202	194
Capital Employed		
Agarbathi Division	5,892	6,555
Hotel Division	-491	1,230
Windmill Division	238	238
Construction Division	424	362
Total	6,063	8,384
The term “Segment Revenue” mentioned above included the following elements:		
Particulars	Accretion/ (Decretion) to Stock	Accretion/ (Decretion) to Stock
Agarbathi Division	(10)	(218)
Hotel Division	-	-



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS

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6 Related Party Disclosure :

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS

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Transactions during the year

(Amount in Lakhs)

Relation ship Index	Name of the Related Party	Nature of Relationship	Nature of Transaction	For the year ended 31.03.2016
D	Ambica Krishna Ambica Ramachandra Rao A B N V R A Hanuma A Siva Kumar	MD Director CFO COO	Remuneration Remuneration Remuneration Remuneration	24 12 12 12
E	ACP Industries Ltd.	Enterprises over which parties referred in (C) or (D) as stated above are having significant Influence	Purchase of Durbar bathies	3929

Outstanding balances as at 31 March 2016

F	ACP Industries Ltd.	"Enterprises over which parties referred in C) or(D) as stated above are having significant influence"	1. Trade cum Caution Deposit 2. Trade payables (Debit balance)	1,200 1,279
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7. Sundry debtors and creditors are subject to confirmations.

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

8 a) Construction Work at Vizag:

The Company has entered into a Licence agreement with APSRTC for construction of Commercial complex at Dwarakanagar Bus Station, Vizag on BOT basis for 30 years. The value of work in progress as on 31-03-2016 was Rs.974.42 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS

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Petition vide W.P.No. 14449/09 before the Honourable High Court of Andhra Pradesh which is pending for disposal. Keeping the dispute in view the company is not paying the License fees to be payable as per the BOT agreement with the APSRTC. The Company is in discussion with APSRTC for amicable resolution of the dispute.

- 9 Investment in Vaibhav Skyscapes Ltd.,**
During the Financial Year 2008-09, the company has transferred all its interest and investments in M/s. Vaibhav Skyscapes Pvt Ltd., to Vaibah Empire Pvt Ltd., and the formalities for the registration of the same are still pending.
- 10** Previous Years's figures have been regrouped/reclassified wherever necessary to confirm to the current year's classification.

As per our Report attached

For Ambica Agarbathies Aroma & Industries Ltd.

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

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Sd/-
AMBICA HANUMAN
CFO

Sd/-
MOHIT KHANDEIWAL
Company Secretary

Place : Hyderabad
Date : 28.05.2016



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMBICAAGARBATHIES AROMA & INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AMBICAAGARBATHIES AROMA & INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the



appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs. 56,16,850 as at 31st March, 2015, total loss of Rs. 8,09,292 and net cash flows amounting to Rs. 8,36,850 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company & subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the holding company and its subsidiary "Ambica Trendset Private Limited" and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The group companies does not have any pending litigations which would impact the consolidated financial position of the Group entities.
 - ii. The Group has no long-term contracts including derivative contracts on which provision is required to be made under the applicable laws or accounting standards for any material foreseeable losses.
 - iii. As per the information furnished to us the amounts of Rs.6,23,674 lying with the holding company and its subsidiary in unpaid dividend account which have remained unclaimed or unpaid for a period of 7 years or more have not been transferred to the Investor Education and Protection Fund by the holding company and its subsidiary
- Sd/-
(T.S. AJAI)
Chartered Accountant
Membership No.025524

Place : Hyderabad
Date : 28.05.2016



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 2016)

- i. (a) The holding company and its subsidiary has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the holding company and its subsidiary 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) As informed by the management, the title deeds of immoveable properties are held in the name of the company.
- ii. As informed to us, the physical verification of the inventory was conducted as at the year-end by the Management, which in our opinion is reasonable and there were no material discrepancies noticed during the verification.
- iii. According to the information and explanations given to us the holding company and its subsidiary has made trade deposit of Rs. 12,00,00,000/- (which is disclosed as long term loans and advances in the balance sheet as at 31.03.2016) to one Company covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount of such trade deposit outstanding during the year is Rs. 12,00,00,000 /- and the year-end balance of such trade deposit is Rs. 12,00,00,000/-.
- (a) The terms and conditions of the grant of such trade deposit is not prejudicial to the company's interest.
- (b) The trade deposit is interest free and is not repayable during the tenure of the trade agreement.
- (c) As explained in (b) above, the trade deposit is not repayable during the tenor of the trade agreement and hence the question of overdue does not arise.
- iv. The holding company and its subsidiary has complied with the provisions of section 185 & 186 of the Companies Act, 2013, as may be applicable and to the extent applicable, in respect of loans, investments, guarantees & securities.
- v. According to the information and explanations given to us, the holding company and its subsidiary has not accepted any Deposits from the public. Accordingly, the provisions of clause (v) of the paragraph 3 of the order are not applicable to the Company.
- vi. According to the information and explanations given to us the maintenance of the cost records has not been specified by the Central Government under section 148(1) of the Companies Act 2013 in respect of the businesses carried on by the holding company and its subsidiary. Accordingly, the provisions of clause (vi) of the paragraph 3 of the order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the holding company and its subsidiary, we are of the opinion that there are delays in depositing the undisputed statutory dues including Provident Fund, Employees'



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

State Insurance, Income-tax, Sales-tax, Service tax, Value added tax and other statutory dues with the appropriate authorities. According to the information and explanations given to us, the holding company and its subsidiary had no liability of Excise duty and Customs duty during the year.

According to the information and explanations given to us, except outstanding dues as detailed in the chart below, there are no disputed arrears of outstanding statutory dues as at the last day of the financial year i.e 31 March 2016 for a period of more than six months from the date they became payable.

S.No	Particulars	Period to which amount relates	Amount
1	Works contracts (TDS) – Construction division	2007-08	13,20,000
2	Works contracts (TDS) – Construction division	2008-09	8,85,388
3	Works contracts (TDS) – Hotel division	2011-12	3,92,312
4	Income tax	2011-12	28,00,180
5	Income tax	2009-10	51,59,370

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

Name of the Statue	Nature of the dues	Demand (Rs.)	Year to which the amount related	Forum where dispute is pending
Income Tax Act, 1961	Asst. made u/s. 143(3) r.w.s. 147	75,81,340/-	AY 2010-11	CIT(A), Chennai, Tamil Nadu.
Income Tax Act, 1961	Asst. made u/s. u/s. 143(3) r.w.s. 147	22,90,324/-	AY 2012-13	CIT(A), Chennai, Tamil Nadu.
Income Tax Act, 1961	Asst. made u/s. 143(3)	79,77,950	AY 2013-14	CIT(A), Chennai, Tamil Nadu.

- viii. In our opinion and according to the information and explanations given to us, the holding company and its subsidiary has not defaulted in repayment of dues to its bankers or to any financial institutions except that in the case of loans due to Indian overseas bank, pondicherry, installment payments aggregating to Rs. 34,96,760 were outstanding as on 31st march 2016.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- ix. During the year under consideration, there were no moneys raised by way of initial public offer or further public offer by the holding company and its subsidiary. The term loans taken by the holding company and its subsidiary were applied for the purposes for which they were raised.
- x. During the course of our examination of the books and records of the holding company and its subsidiary, 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 holding company and its subsidiary, noticed or reported during the year nor have we been informed of any such case by the management.
- xi. The holding company and its subsidiary have complied with the provisions of section 197 read with Schedule V to the Companies Act 2013, in respect of the remuneration paid or provided to the directors.
- xii. The holding company and its subsidiary is not a Nidhi company, hence the clause (xii) is not applicable to the company.
- xiii. In our opinion and according to the information and explanation given to us, all the transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 and the details have been disclosed in the financial statements as required by the Accounting standards.
- xiv. The holding company and its subsidiary has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence the clause (xiv) is not applicable to the company.
- xv. The holding company and its subsidiary has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of section 192 of the companies Act, 2013 are not attracted.
- xvi. The holding company and its subsidiary is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Hyderabad
Date : 28.05.2016

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



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF AMBICA AGARBATHIES AROMA AND
INDUSTRIES LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of AMBICA AGARBATHIES AROMA AND INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary company AMBICA TRENDSET PRIVATE LIMITED, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

The Holding Company and its subsidiary company has internal financial control, which requires improvement, commensurate with the size of the Company and the nature of its business.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiary company has maintained, in all respects, adequate internal controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 consolidated financial statements of the Company, and the material weakness do not affect our opinion on the standalone financial statements of the Company.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

Place : Hyderabad
Date : 28.05.2016

(T.S. AJAI)
Chartered Account
Membership No.25524



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CONSOLIDATE BALANCE SHEET AS AT 31ST MARCH , 2016

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Particulars	Note No	As at 31.3.2016 ₹
I. EQUITY AND LIABILITIES		
1 Share holders funds		
(a) Share capital	2	17,13,94,623
(b) Reserves and surplus	3	18,91,27,984
(c) Money received against share warrants		-
		36,05,22,607
(2) Share application money pending allotment	4	1,99,685
(3) Non-Current Liabilities		
(a) Long-term borrowings	5	14,32,93,232
(b) Deferred tax liabilities (Net)	6	4,81,34,062
(c) Other long-term liabilities	7	2,91,96,940
(d) Long-term provisions	8	-
		22,06,24,234
(4) Current Liabilities		
(a) Short-term borrowings	9	46,49,11,366
(b) Trade payables	10	3,83,49,232
(c) Other current liabilities	11	99,07,098
(d) Short-term provisions	12	2,90,48,976
		53,51,16,672
TOTAL		111,64,63,198
II. ASSETS		
Non-current assets		
(1) (a) Fixed assets		
(i) Tangible assets	13.1	38,06,92,184
(ii) Intangible assets	13.2	2,05,291
(iii) Capital work-in-progress	13.3	9,74,50,891
		47,83,48,366
(b) Non-current investments	14	1,00,000
(c) Deferred tax assets (net)		-
(d) Long-term loans and advances	15	14,68,51,768
(e) Other non-current assets		-
		14,69,51,768
(2) Current assets		
(a) Current investments		-
(b) Inventories	16	21,40,59,880
(c) Trade receivables	17	7,57,47,284
(d) Cash and cash equivalents	18	54,89,053
(e) Short-term loans and advances	19	5,27,34,971
(f) Other current assets	20	14,31,31,876
		49,11,63,064
Division Balances		-
TOTAL		111,64,63,198

Note forming part of financial statement 1 32

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

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

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Hyderabad
Date : 28.05.2016

Sd/-
AMBICA HANUMAN
CFO

Sd/-
MOHIT KHANDEIWAL
Company Secretary



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Note No	For the year Ended 31.3.2016 ₹
I. Revenue from operations	21	1,15,75,35,120
II. Other income	22	1,44,04,278
III. TOTAL REVENUE (I+II)		1,17,19,39,398
IV. Expenses:		
(a) Cost of materials consumed	23	21,38,02,030
(b) Purchases of stock-in-trade	24	40,70,15,460
" (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade "	25	-9,96,577
(d) Employee benefits expense	26	4,45,36,779
(e) Finance costs	27	8,96,71,857
(f) Depreciation and amortisation expense	13	3,24,43,129
(g) Other expenses	28	36,60,95,456
TOTAL EXPENSES		1,15,25,68,134
V. PROFIT BEFORE TAX (III-IV)		1,93,71,264
VI. Tax expense:		
(i) Current tax	29	59,94,950
(ii) Deferred tax		6,64,968
		66,59,918
VII. PROFIT (LOSS) FOR THE PERIOD (V-VI)		1,27,11,346
VIII. Earnings per equity share : Basic and diluted	30	0.74
IX. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-32		

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

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

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Hyderabad
Date : 28.05.2016

Sd/-
AMBICA HANUMAN
CFO

Sd/-
MOHIT KHANDEIWA
Company Secretary

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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2015-2016

Particulars	For the year Ended 31.3.2016 ₹
I. CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxes	1,93,71,264
Adjustment for :	
Interest Expenditure	8,96,71,857
Interest Income	(1,01,990)
Depreciation	3,24,43,129
Other Non Cash Exp	
Loss on sale of Fixed assets	12,20,12,996
Operating profit before working capital changes	14,13,84,260
Changes in working capital	
Adjustments for :	
Decrease / (Increase) in Inventories	16,28,130
Decrease / (Increase) in Trade Receivables	97,84,346
Decrease / (Increase) in Other Current Assets	-10,34,59,690
Increase / (Decrease) in Other Current Liabilities and provisions	(2,24,59,902)
Increase / (Decrease) in Trade payables	97,02,784
	(10,48,04,332)
Cash generated from operations	3,65,79,928
Taxes paid (Net of refund)	(1,13,94,630)
Net Cash generated from Operating Activities	2,51,85,298
II. CASH FLOW FROM INVESTING ACTIVITIES	
Interest received	1,01,990
Increase in Share Capital and Share Premium	-
Purchase of Tangible / Intangible assets	(2,24,59,419)
Proceeds from disposal of fixed assets	5,41,03,094
Decrease / (Increase) in Loans and Advances	-87,85,591
Dividend received	-
Net cash used in Investing activities	2,29,60,074
III. CASH FLOW FROM FINANCING ACTIVITIES	
Increase / (Decrease) in Long term borrowings	(16,89,14,103)
Increase / (Decrease) in Short term borrowings	20,12,95,108
Interest paid	(8,96,71,857)
Net cash provided by / (used in) financing activities	(5,72,90,852)
Net Increase / (Decrease) in cash and cash equivalents (I+II+III)	-91,45,480
Opening balance of cash and cash equivalents	1,46,34,532
Closing balance of cash and cash equivalents	54,89,052
Increase / (Decrease) in cash or cash equivalents	-91,45,480
Cash and cash equivalents comprise of:	
Cash on hand	15,82,875
Cheque on hand	
Balances with banks	29,95,327
Total	45,78,202

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

Note- Since this is the first year of application of Cash Flow Statement, for the purpose of Consolidated Cash Flow, figures asat 31-03-2015 of the standalone Financial statements of the holding company (Ambica Agarbathies Aroma & Industries LTD) have been used as a basis. 1-32

As per our Report of even date

For Ambica Agarbathies Aroma & Industries Ltd.

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

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

Place : Hyderabad
Date : 28.05.2016

Sd/-
AMBICA HANUMAN
CFO

Sd/-
MOHIT KHANDEI WAL
Company Secretary



Notes forming part of the Financial Statements

1) Significant accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Use of estimates

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

1.3 Current-non-current classification

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

Assets

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

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

a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

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

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at

least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification."

All other liabilities are classified as non-current.

Operating cycle



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

1.4 Fixed Assets:

Fixed Assets are stated 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 II of the Companies Act, 2013. 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS

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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.



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Note No : 2 SHARE CAPITAL

(Amount in ₹)

Sl. No.	Particulars	As at 31st March, 2016	
		No. of Shares	Amount
I.	Authorised " 2,10,00,000 Equity Shares, face value of Rs.10/- each "	2,10,10,000	21,01,00,000
II.	Issued,Subscribed " 1,71,77,400 Equity Shares, face value of Rs.10/- each "	1,71,77,400	17,17,74,000
III.	Paid-up Capital Less: Calls in Arrears By Directors By Others		- 4,79,377
	Paid up Capital	1,71,87,400	17,13,94,623

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

Sl. No.	Particulars	As at 31st March, 2016	
		No. of Shares	Amount Shares
	At the beginning of the period	1,71,87,400	17,13,94,623
	Add: Issued during the period	-	-
	Less: Brought bank during the year	-	-
	Outstanding at the end of the period	1,71,87,400	17,13,94,623

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.



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

Sl. No.	Particulars	As at 31st March, 2016	
		No. of Shares	% of share Holding
	Equity Shares		
	Trinethra Infra Ventures Limited	19,00,000	11.06%
	Agnvsa Ramchandra Rao	14,64,950	8.53%
	P V V P Krishna Rao	13,91,701	8.10%
	Alapati Ramanjaneyulu	12,38,700	7.21%
	Rajeshwar Rao Alapati	12,11,213	7.05%
	Puvvada Bhaskar Rao	9,00,000	5.24%

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

Note No : 3 RESERVE AND SURPLUS

Sl. No.	Particulars	As at March31, 2016
(a)	Capital Reserves	
	Opening Balance	19,15,503
	Add: Additions during the year	0
	Less: Utilised/transferred during the year	
	Closing balance	19,15,503
(b)	Share Premium Account	
	Opening Balance	2,48,00,035
	Add: Additions during the year	0
	Less: Utilised during the year	
	Closing balance	2,48,00,035
(c)	General Reserve	
	Opening Balance	1,77,72,017
	Add: Additions during the year	0
	Less: Utilised/transferred during the year	
	Closing balance	1,77,72,017
(d)	Surplus from Statement of Profit and Loss	
	Balance brought forward from previous year	14,35,71,401
	Add: Profit for the year	1,27,11,346
	Less: Utilised during the year	-1,16,42,318
	Closing balance	14,46,40,429
	Total Reserves and Surplus (a+b+c+d)	18,91,27,984



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Note No : 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

(Amount in ₹)

Sl. No.	Particulars	As at March31, 2016
	Share Application Money	1,99,685
		1,99,685

Note No. : 5 LONG -TERM BORROWINGS

Sl. No.	Particulars	As at March31, 2016
	(a) Term Loans Secured Agarbathi Division - from banks - from other parties	10,16,82,897 19,80,343 10,36,63,240
	Term Loans Secured Hotel Division - from banks - from other parties	0 75,26,216 75,26,216
	Total	11,11,89,456

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

(b) Other Loans and Advances (i) Agarbathi division Others (unsecured) Trade Deposits From Distributors Of Durbar Bathies Trade Deposits From Distributors Of Scented	74,26,775 2,46,77,001
(ii) Hotel Division Trade Payable Others	
Total (i+ii)	3,21,03,776
Grand Total (a+b)	14,32,93,232

(c) Repayment terms of Long Term Loans

Sl. No.	Name of Lender	Amount Rs.
1	IOB Rental Discounting Term Loan	8,22,89,125

Terms of repayment Repayable by february 2021 in monthly installments



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(d) Details of Securities Pledged

Sl. No.	Securities Pledged	
1	First Charge on Future Rent Receivables of the company. Collateral security of EM land admeasuring 8064 sq ft and building of 21000 sq ft thereon situated at T.S. No 26, block no. 41 New No 32 Arcot Road Kodambakkam, Chennai owned by Mr. PVV Krishna Rao and 6 others.	IOB Rental Discounting Term Loan

(e) Delays in repayment of term loans

Loan	Range of No. of days of delay	Amount of installments
IOB Rental discounting loan	02-87	34,96,760
Total	2 - 87	34,96,760

Note No. : 6 DEFERRED TAX LIABILITIES (NET)

Sl. No.	Particulars	As at March31, 2016
	Deferred Tax Liability	4,81,34,062
	Total	4,81,34,062

Note No. : 7 OTHER LONG TERM LIABILITIES

Sl. No.	Particulars	As at March31, 2016
	Construction Division	0
	-APSRTC - Vijayawada	2,31,48,063
	-APSRTC - Vizag	
	-Other Advances	60,48,877
	Total	2,91,96,940
	Grand Total	2,91,96,940



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Note No. : 8 LONG TERM PROVISIONS

(Amount in ₹)

Sl. No.	Particulars	As at March31, 2016
	Agarbathi Division	
	- Provision for Income Tax	-
	Total	-

Note No. : 9 SHORT TERM BORROWINGS

Sl. No.	Particulars	As at March31, 2016
	Agarbathi division from Banks Secured Loans Repayable on Demand from Banks	
	-Corporation bank CC Loan	44,49,20,366
	-LC000002/2016	24,97,750
	-LC000003/2016	74,93,250
	Total	46,49,11,366

Repayment terms of Short Term Loans

Sl. No.	Name of Lender	Amount Rs.
1	Corp Bank CMTCC Loan	45,49,20,366
		Terms of repayment
		Running account payable on demand subject to annual renewal
2	-LC000002/2016	24,97,750
3	-LC000003/2016	74,93,250

Details of Securities Pledged

Sl. No.	Securities Pledged	
1	EMG of land admeasurin g 1.72 acres in S.No.72011 (0.38 acres)and 72012 (1.34 acres) at Ayansurandai Village, Veer akerlamputhur Taluk,Thirunalveli District falling under urandai SRO of the Company (Wind mil) Corp Bank CMTCC Loan	Corp Bank CMTCC Loan
2	Hyp/ first charge on P& M and other movable assets of the company (including WIP of Rs.12.09 Crore) including vehicle financed by our Bank	



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Note No. : 10 TRADE PAYABLES

(Amount in ₹)

Sl. No.	Particulars	As at March31, 2016
	(a) Agarbathi division	
	Total O/s dues of Micro & Small Enterprises	-
	Sundry Creditors	2,71,46,403
	(b) Hotel Division	
	Total O/s dues of Micro & Small Enterprises	-
	Sundry Creditors	1,12,02,829
	(c) Construction Division	
	Total O/s dues of Micro & Small Enterprises	-
	Sundry Creditors	-
	Total	3,83,49,232

Note No. : 11 OTHER CURRENT LIABILITIES

Sl. No.	Particulars	As at March31, 2016
	(a) Agarbathi division	
	(i) Current Maturities of Long Term Debt	
	(ii) Unpaid Dividend	6,23,674
	(iii) Other Payables	-
	-TDS Payable	3,69,796
	-VAT/CST/Entry Tax Payable	9,31,321
	-Deposits received from customers	37,032
	Other Payables	33,46,500
	Total	53,08,323
	(b) Hotel Division	
	Other Payables	
	-TDS Payable	1,43,676
	-VAT/CST/Entry Tax Payable	8,83,121
	- Import Liquor Tax Payable	65,888
	- Luxury Tax Payable	4,29,528
	-Sales Tax Payable	-
	- Service Tax Payable	5,69,255
	-Other current Liabilities	2,83,434
	Total	23,74,902
	(c) Construction Division	
	Other Payables	
	-TDS Payable	22,05,388
	-Other current Liabilities	18,485
	Total	22,23,873
	Grand Total (a+b+c)	99,07,098



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12 Short term Provisions (Amount in ₹)

Sl. No.	Particulars	As at March31, 2016
	Agarbathi Division	
	Provision for Employee Benefits	17,95,042
	Provision for Income Tax	83,75,422
	Provision for Income Tax AY 2016-17	59,94,950
		1,61,65,414
	Hotel Division	
	Provision for Employee Benefits	57,83,562
		57,83,562
	Total	2,19,48,976

14 Non-Current Investments

S. No.	Particulars	As at March31, 2016
	Investment in Subsidiary	1,00,000

15 LONG - TERM LOANS & ADVANCES

Sl. No.	Particulars	As at March31, 2016
	(a) Agarbathi Division	
	Unsecured, Considered good	
	Capital Advances	0
	-Advance for capital project	1,39,18,627
	Security Deposits	
	Loans and Advances to related Parties	12,00,00,000
	-Trade Deposits	0
	Other Loans and Advances	
	Total	13,39,18,627
	(b) Hotel Division	
	Unsecured, Considered good	
	Security Deposits	7144253
	Other Loans and Advances	2,48,968
	Total	73,93,221
	(c) Construction Division	
	Unsecured, Considered good	
	Security Deposits	55,39,920
	Other Loans and Advances	
	Total	55,39,920
	Grand Total (a+b+c)	14,68,51,768



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13.1 : TANGIBLE ASSETS									
(Amount in ₹)									
Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01.04.2015	Additions During the Year	Deductions during the year	As at 01.04.2015	For the Year	Adjustments As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	13.1.1								
	Land								
	Agarbathi Division	15,68,931	-	-	-	-	-	15,68,931	15,68,931
	Hotel Division	42,14,968	-	-	-	-	-	42,14,968	42,14,968
	Empire - Chennai	42,14,968	-	-	-	-	-	42,14,968	42,14,968
	SUB TOTAL	57,83,899	-	-	-	-	-	57,83,899	57,83,899
2	13.1.2								
	Buildings								
	Agarbathi Division	1,94,81,318	-	-	74,47,109	4,99,880	-	1,15,34,319	1,20,34,209
	Hotel Division	17,30,40,294	-	6,27,633	2,26,54,747	27,75,814	-	14,69,82,100	15,03,85,546
	Empire - Chennai	10,43,71,171	-	-	1,99,00,286	16,40,307	-	8,28,30,578	8,44,70,884
	Seagreen- Vizag	6,76,28,327	-	-	23,49,939	11,26,866	-	6,41,51,522	6,52,78,388
	Flavours-Vizag	10,40,796	-	6,27,633	4,04,522	8,641	-	0	6,36,274
	SUB TOTAL	19,25,21,612	-	6,27,633	3,01,01,856	32,75,704	-	15,85,16,419	16,24,19,755
3	13.1.3								
	Plant & Machinery								
	Agarbathi Division	17,59,71,756	4,96,168	-	10,37,21,620	69,37,280	-	6,58,09,024	7,22,50,136
	Hotel Division	9,02,98,232	12,27,613	9,35,889	3,29,50,702	44,53,378	-	5,31,85,876	5,73,47,534
	Empire - Chennai	5,58,34,935	10,01,952	-	2,89,70,844	26,43,515	-	2,52,22,528	2,88,64,095
	Seagreen- Vizag	3,25,25,011	2,25,661	-	30,09,285	17,78,039	-	2,79,63,348	2,95,15,726
	Flavours-Vizag	19,38,286	-	9,35,889	9,70,573	31,824	-	10,02,397	9,67,713
	SUB TOTAL	26,62,69,988	17,23,781	9,35,889	13,66,72,322	1,13,90,658	-	11,89,94,900	12,95,97,670
4	13.1.4								
	Furniture & Fittings								
	Agarbathi Division	1,49,98,193	8,95,632	-	73,77,326	14,84,140	-	70,32,359	76,20,867
	Hotel Division	16,34,73,074	17,53,169	4,74,758	10,32,70,997	90,98,693	-	5,23,81,795	6,02,02,076
	Empire - Chennai	10,57,34,575	16,65,494	-	8,87,90,330	18,48,690	-	1,67,61,049	1,69,44,244
	Seagreen- Vizag	5,57,63,124	87,675	-	1,30,32,548	71,97,505	-	3,56,20,746	4,27,30,576
	Flavours-Vizag	19,75,375	-	4,74,758	14,48,119	52,498	-	0	5,27,256
	SUB TOTAL	17,84,71,267	26,48,801	4,74,758	11,06,48,323	1,05,82,833	0	5,94,14,154	6,78,22,943



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(Amount in ₹)

13.1: TANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		As at 01.04.2015	Additions During the Year	Deductions 31.03.2016	As at 01.04.2015	For the Year	As at 31.03.2015	As at 31.03.2015
5	13.1.5 Vehicles							
	Agarbathi Division	5,42,38,486	59,47,919	11,28,760	2,83,40,267	43,30,545	2,73,88,694	2,58,98,219
	Hotel Division	1,26,91,231	1,17,47,969	50,21,323	1,07,55,455	19,35,700	1,03,13,275	19,35,775
	Empire-Chennai	1,24,16,062	1,17,47,969	50,21,323	1,06,96,145	19,02,091	1,01,31,025	17,19,916
	Seagreen- Vizag	2,75,169	-	-	59,310	33,609	1,82,250	2,15,859
	SUB TOTAL	6,69,29,717	1,76,95,888	61,50,083	3,90,95,722	62,66,245	3,77,01,969	2,78,33,994
6	Others							
	13.1.6 Computers							
	Agarbathi Division	45,62,733	-	-	45,19,214	15,566	27,953	43,519
	Hotel Division	73,12,162	2,23,135	19,627	63,91,655	9,01,694	2,22,321	9,20,506
	Empire-Chennai	53,26,548	1,88,107	-	51,81,819	2,17,992	1,14,844	1,44,730
	Seagreen- Vizag	16,48,982	35,028	-	9,20,804	6,55,729	1,07,477	7,28,178
	Flavours-Vizag	3,36,632	-	19,627	2,89,032	27,973	0	47,599
	SUB TOTAL	1,18,74,895	2,23,135	19,627	1,09,10,869	9,17,260	2,50,274	9,64,026
	TOTAL- TANGIBLE	72,18,51,378	2,22,91,605	82,07,990	32,74,29,092	3,24,32,700	38,06,61,615	39,44,22,287



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(Amount in ₹)

13.2 : INTANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		As at 01.04.2015	Additions/ During the Year	Deductions As at 31.03.2016	As at 01.04.2014	For the Adjustment/ Year	As at 31.03.2016	As at 31.03.2015
1	13.2.1 Trade Marks							
	Agarbathi Division	10,97,750	1,37,250	-	10,19,280	10,429	2,05,291	78,470
	SUB TOTAL	10,97,750	1,37,250	-	10,19,280	10,429	2,05,291	78,470
2	13.2.2 Intangible Asset							
	Agarbathi Division	-	-	-	-	-	-	-
	Hotel Division	50,000	-	50,000	50,000	-	-	-
	Empire -Chennai	-	-	-	-	-	-	-
	Flavours-Vizag	50,000	-	50,000	50,000	-	-	-
	Seagreen- Vizag	-	-	-	-	-	-	-
	Construction Division	-	-	-	-	-	-	-
	SUB TOTAL	50,000	-	50,000	50,000	-	50,000	-
	TOTAL - INTANGIBLE	11,47,750	1,37,250	-	10,69,280	10,429	2,05,291	78,470

13.3 : CAPITAL WORK-IN-PROGRESS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		As at 01.04.2015	Additions/ during the Year	Deductions during the year	As at 01.04.2015	For the Adjustment/ Year	As at 31.03.2015	As at 31.03.2015
1	13.3.1 Work in Progress							
	Agarbathi Division	9,119	-	-	-	-	9,119	9,119
	Hotel Division	-	-	-	-	-	-	-
	Empire -Chennai	-	-	-	-	-	-	-
	Flavours-Vizag	-	-	-	-	-	-	-
	Seagreen Vizag	-	-	-	-	-	-	-
	Construction Division	14,03,32,829	-	4,28,91,057	-	-	9,74,41,772	14,03,32,829
	TOTAL-WIP	14,03,41,948	-	4,28,91,057	-	-	9,74,50,891	14,03,41,948
	GRAND TOTAL	86,33,41,076	2,24,28,855	5,10,99,047	32,84,98,372	3,24,43,129	47,83,17,797	53,48,42,705



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(Amount in ₹)

16 INVENTORIES (At Lower of Cost and net realisable value)

Sl. No.	Particulars	As at March31, 2016
	Agarbathi Division	
	(a) Raw Materials	15,26,25,274
	(b) Finished Goods	5,16,46,396
	(c) Stores and Spares	0
	(d) Packing Material	62,98,467
	Total	21,05,70,137
	Hotel Division	
	Stock-in-hand	34,89,743
	Total	34,89,743
	Grand Total	21,40,59,880

17 TRADE RECEIVABLES

Sl. No.	Particulars	As at March31, 2016
	Agarbathi Division	
	(a) " Outstanding for a period exceeding six months from the date they are due for payment "	
	Secured, considered good	0
	Unsecured, considered good	6,87,66,913
	(b) Others	0
	Secured, considered good	0
	Unsecured, considered good	0
	Total	6,87,66,913
	Hotel Division	
	a) " Outstanding for a period exceeding six months from the date they are due for payment "	
	Secured, considered good	0
	Unsecured, considered good	69,80,371
	b) Others	0
	Secured, considered good	0
	Unsecured, considered good	0
	Total	69,80,371
	Grand Total	7,57,47,284



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18 CASH AND CASH EQUIVALENTS (Amount in ₹)

Sl. No.	Particulars	As at March 31, 2016
	(a) Agarbathi Division	
	(i) Balances With Banks	
	- Current Accounts	48,58,224
	- Earmarked balances	1,78,519
	- Deposit amounts	
	(ii) Cheques, drafts on hand	
	(iii) Cash on hand	12,81,025
	Total	63,17,768
	(b) Hotel Division	
	(i) Balances With Banks	
	- Current Accounts	-17,17,828
	- Earmarked balances	0
	- Deposit amounts	0
	(ii) Cheques, drafts on hand	0
	(iii) Cash on hand	8,13,641
	Total	-9,04,187
	(c) Construction Division	
	(i) Balances With Banks	0
	(ii) Cheques, drafts on hand	0
	(iii) Cash on hand	75,472
	Total	75,472
	Grand Total	54,89,053



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19 SHORT - TERM LOANS AND ADVANCES

(Amount in ₹)

Sl. No.	Particulars	As at March31, 2016
(a)	Agarbathi Division	
	Unsecured, considered good	0
	Loans and advances to related parties	0
	Share Application Money	3,00,00,000
	Loans and advances to related parties - with Acp for supply of durbar bathies	0
	Others	
	With Statutory Authorities	4,05,270
	Other Loans and advances	12,46,574
	Total	3,16,51,844
(b)	Hotel Division	
	Unsecured, considered good	
	Loans and advances to related parties	
	Share Application Money	0
	Loans and advances	0
	Others	
	With Statutory Authorities	4,34,827
	Other Loans and advances	1,13,300
	Total	5,48,127
(c)	Construction Division	
	Unsecured, considered good	
	Loans and advances to related parties	
	Share Application Money	2,05,25,000
	Others	
	With Statutory Authorities	0
	Other Loans and advances	10,000
	Total	2,05,35,000
	Grand Total	5,27,34,971



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

**FINANCIAL STATEMENTS
CONSOLIDATED**

20 OTHER CURRENT ASSETS

(Amount in ₹)

Sl. No.	Particulars	As at March31, 2016
	Agarbathi Division	
	Interest Receivable	0
	Others	13,49,67,833
	Total	13,49,67,833
	Hotel Division	
	Interest Receivable	0
	Others	22,08,877
	Total	22,08,877
	Construction Division	
	Interest Receivable	-
	Others	-
	TDS RECEIVABLE	59,55,166
	Total	59,55,166.00
	Grand Total	14,31,31,876

21 REVENUE FROM OPERATIONS

Sl. No.	Particulars	As at March31, 2016
	(a) Agarbathi Division	
	(i) Sale of Products	
	Ambica Durbar Bathies	59,99,57,845
	Ambica Scented Bathies	27,94,98,967
	Oil Sales	29,54,459
	Camphor Sales	7,59,181
	Dal Sales	1,04,76,000
	(ii) Other operating revenues	-
	Less: Excise Duty	
	Total	89,36,46,452



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

(Amount in ₹)

FINANCIAL STATEMENTS

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(b) Hotel Division	
(i) Sale of Products	
Food Sales	9,40,47,239
(ii) Sale of Services	
Rent Receipts	5,31,82,513
Hospitality Income	4,38,64,060
Foreign currency fluctuations	69
Income my time spa	6,45,161
(iii) Other operating revenues	1,25,97,876
Less: Excise Duty	
c) Construction Division	5,95,51,750
Total	26,38,88,668
Grand Total (a+b+c)	1,15,75,35,120

22 OTHER INCOME

Sl. No.	Particulars	As at March31, 2016
(a) Agarbathi Division		
	Interest Income	-
	Dividend Income	-
	Net gain/ loss on sale of vehicles	6,101
	Other non-operating income	1,42,96,187
	Total	1,43,02,288
(b) Hotel Division		
	Interest Income	1,01,990
	Total	1,01,990
	Grand Total (a+b)	1,44,04,278



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS

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23 COST OF MATERIAL CONSUMED

(Amount in ₹)

Sl. No.	Particulars	As at March 31, 2016
	(a) Agarbathi Division	
	Cost of Material Consumed	
	Opening Stock	-
	Raw Material	15,57,24,818
	Packing Material	53,02,011
		16,10,26,829
	Add: Purchases	
	Raw Material	8,82,63,725
	Packing Material	3,35,54,160
	Total	12,18,17,885
	Sub total	28,28,44,714
	Less: Closing Stock	
	Raw Material	15,26,25,274
	Packing Material	62,98,467
		15,89,23,741
	Total	12,39,20,973
	(b) Hotel Division :	
	Opening Stock	
	Provisions and Other Raw Material	-
	Add: Purchases	4,45,10,222
	Sub total	4,45,10,222
	Less: Closing Stock	
	Provisions and Other Raw Material	-
	Total	4,45,10,222
	c) Construction Division	4,53,70,835
	Grand Total (a+b)	21,38,02,030



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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24 PURCHASES OF STOCK-IN-TRADE

(Amount in ₹)

Sl. No.	Particulars	As at March 31, 2016
	Durbarbathi Purchased	39,29,34,795
	Oil Purchase	31,17,145
	Camphor Purchase	9,72,520
	Maize & Dall Purchase	99,91,000
		40,70,15,460

25 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	For the year ended 31st March, 2016
CLOSING STOCK DURBAR	3,48,23,583
CLOSING STOCK SCENTED	1,58,26,236
CLOSING STOCK OIL	7,15,873
CLOSING STOCK CAMPHOR	2,80,704
	-
Opening Balance	5,06,49,819
Net increased/decreased	-9,96,577

26 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2016
Employee Benefit Expenses Consist of the following :	
(a) Agarbathi Division :	-
Salaries and Incentives	2,40,17,501
Contribution to -	-
(i) Provident Fund	2,16,291
(ii) Employee State Insurance	10,500
(iii) Bonus	-
(iv) Gratuity	-
Staff welfare Expenses	21,01,762
Total	2,63,46,054



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

(b) Hotel Division :	
Salaries and Incentives	1,58,75,049
Contribution to -	-
(i) Provident Fund	7,65,593
(ii) Employee State Insurance	2,60,173
(iii) Bonus	-
(iv) Gratuity	-
Staff welfare Expenses	12,89,910
Total	1,81,90,725
Grand Total (a+b)	4,45,36,779

27 FINANCE COSTS

Particulars	For the year ended 31st March, 2016
(a) Agarbathi Division :	
Interest expenses	6,13,72,648
Other Borrowing Costs	57,33,530
Applicable gain/loss on foreign currency transactions and translation	-
Total	6,71,06,178
(b) Hotel Division :	
Interest expenses	2,10,01,739
Other Borrowing Costs	15,63,940
Applicable gain/loss on foreign currency transactions and translation	-
Total	2,25,65,679
Grand Total (a+b)	8,96,71,857

28 OPERATING AND OTHER EXPENSES

Particulars	For the year ended 31st March, 2016
(a) Agarbathi Division	
Agarbathi Making and Packing Charges	1,16,30,568
Electricity Charges	39,76,467
Fuel & Generator Maintenance	39,406
Charities And Donations	28,06,453
Consultancy Charges	7,42,393
Insurance Premium	28,32,690
Internal Auditors Fee	1,80,000
Audit Fee	8,74,800
Listing Fee	-
Miscellaneous Expenses	1,82,147
Office Maintenance	15,02,771

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AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

(Amount in ₹)

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Postage And Courier	1,39,301
Printing And Stationary	4,66,453
Professional Charges	6,59,822
Rates And Taxes	14,55,288
Rent	15,81,568
Repairs to Building	31,77,957
Repairs to Machinery	14,24,686
Repairs to Other Assets	32,46,223
Telephone And Communication Expenses	32,46,168
Travelling And Conveyance Expenses	1,07,11,700
Vehicle Maintenance	84,79,399
Advertisement and Sales Promotions	3,11,03,483
Freight and Dispatch Expenses	1,09,78,915
Trade Discount on Sales	12,06,14,611
Turnover and Entry Taxes	3,79,72,528
CPCCommission	-
Total	26,00,25,797
(b) Hotel Division :	
Publicity Expenses	8,250
Computer Maintenance	2,94,539
Consultancy Charges	3,80,159
Conveyance	2,79,966
Electricity Charges	1,79,66,752
Fuel Expenses	81,94,187
House Keeping Charges	2,89,10,732
Insurance	5,05,497
Kitchen Expenses	45,98,681
Miscellaneous Expenses	8,45,342
Postage and Courier Expenses	87,416
Printing & Stationary	16,12,443
Rates and Taxes	17,40,924
Rent	54,00,710
Repair to Building	14,906
Repair to Machinery	11,33,245
Repairs to Other Assets	56,87,388
Newspaper and Subscriptions	7,95,205
Telephone Expenses	14,32,476
Transport Expenses	7,90,570
Travelling Expenses	3,24,963
Uniform and Linen	3,00,297
Vehicle Maintenance	17,21,743
Advertisement Expenses	33,72,838
Discounts allowed	1,82,535
Turnover and Other Taxes	1,80,37,079



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

**FINANCIAL STATEMENTS
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(Amount in ₹)

Loss on Sale of Vehicles	-68,230
ADDL.DEMAND ON SALES TAX 2007 TO 2011	-
DONATION	5,000
FOOD FESTIVAL EXPENSES	3,71,511
Audit fee	-
Internal Audit Fee	1,25,300
LOSS ON CYCLONE HUD HUD	-
AM CHARGES	-
Total	10,50,52,424
c) Construction Division	
Cost of Construction	10,17,235
Total	10,17,235
Grand Total (a+b+c)	36,60,95,456

29 CURRENT TAX

Particulars	For the year ended 31st March, 2016
Income tax for the year	
Current tax	59,94,950
"Adjustment / (credits) related to Previous year-Net"	
Current tax	6,64,968
Total	66,59,918

30 " EARNINGS PER EQUITY SHARE :

Particulars	For the year ended 31st March, 2016
BASIC AND DILUTED "	
Profit after Tax	1,27,11,347
No. of Equity Shares	1,71,39,462
Face Value per Share	10
Basic/(Diluted) Earning per Share	0.74



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

31 ADDITIONAL INFORMATION

Particulars		For the year ended 31st March, 2016
(i)	(a) Employee benefit expenses (refer note 26)	4,45,25,832
	(b) Depreciation and amortization expenses (refer note 13)	3,24,43,129
	(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	1,16,30,568
	Advertisement and Sales Promotions	3,11,03,483
	Freight and Dispatch Expenses	1,09,78,915
	Trade Discount on Sales	12,06,14,611
	Turnover and Entry Taxes	3,79,72,528
	Expenditure - Hotel Division	
	Electricity Charges	1,74,93,996
	Fuel Expenses	81,62,822
	House Keeping Charges	2,88,58,005
	Turnover and Other Taxes	1,80,37,079
	(d) Interest income	1,01,990
	(e) Interest expenses	8,96,64,441
	(f) Dividend income	0
	(g) Net (gain) / loss on sale of investments	0
	(h) Adjustments to the carrying amount of investments	0
	(i) Net (gain) / loss on foreign currency transaction and translation (Other than finance cost)	0
	(j) Payment to auditors	
	(i) auditor	8,74,800
	(ii) for taxation matters	0
	(iii) for company law matters	0
	(iv) for management services	0
	(v) for other services	0
	(vi) for reimbursement of expenses	8,74,800
	(k) Details of exceptional and extra-ordinary items	

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**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

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Particulars		For the year ended 31st March, 2016
(ii)	(a) (i) Raw materials	
	Raw Bathies and Bamboo sticks	3,56,31,675
	Compounds	1,64,45,388
	Chemicals, perfumes and others	3,92,86,206
	Paper board	2,01,85,776
	Posters and liners	68,37,118
	Other packing materials	55,34,810
	(ii) Goods purchased	
	Purchase of durbar Bathies	39,29,34,795
(iii)	Expenditure incurred of the following items, separately for each item :	
	(a) Consumption of stores and spare parts	0
	(b) Power and fuel	2,56,56,818
	(c) Rent	54,00,710
	(d) Repairs to buildings	31,92,863
	(e) Repairs to machinery	14,24,686
	(f) Insurance	28,32,690
	(g) Rates and taxes, excluding, taxes on income	31,96,212
	(h) Miscellaneous expenses	10,25,879
(iv)	Value of imports calculated on CIF basis in respect of	
	(i) Raw Materials	0
	(ii) Components and spare parts	0
	(iii) Capital goods	0
	(b) Expenditure in foreign currency	
	(i) Travelling expenses	0
	(c) Value of raw materials, spares and parts, components consumed:	
	Imported	0
	Indigenous	21,32,00,819
	Total consumption	21,32,00,819
	% of each to the total consumption	
	Imported	0
	Indigenous	1
	(e) Earnings in foreign exchange	
	i) Export of goods calculated on FOB basis	0
	"ii) Royalty, know-how, professional and consultation fees"	0
	iii) Interest and dividend	0
	iv) Other income	0



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS

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32. Notes forming part of the Financial Statements

	Particulars	As At 31st March, 2016
	1. Contingent Liabilities	
I	"Claims against the Company not acknowledged as debts"	Nil
II	Bank guarantee Issued to departments by:	
	"a) Andhra Bank- to Joint Commissioner of Sales Tax, Howrah"	2,80,000
	b) State Bank of India -	
	- to Commissioner of Customs Chennai	8,00,000
	- to Canteen stores Mumbai	24,00,000
	"c) Corporation Bank-	
	to canteen stores Department, Mumbai"	56,10,000
	to APTPC, Hyderabad	22,19,795
	to VUDA, Viskhapatnam	12,00,000
	to Commissioner of Customs Chennai	32,00,000
	d) Indian Overseas Bank-	15,29,50,713
	The Company has given corporate guarantee on behalf of its subsidiary Ambica Infraventures Pvt. Ltd., during the financial year 2010-11 the subsidiary has been sold to Mr. N. Srinivas The process of substitution of the said Corporate Guarantee by the new management of Ambica Infraventure Pvt. Ltd is in progress	
	e) Demands under the Income-Tax Act, 1961, against which the Company has preferred appeals	3,04,58,150

2. Deferred Tax

In accordance with Accounting Standard-22 on "Accounting for Taxes on Income" issued by ICAI, the Company has accounted for Deferred Tax.

Particulars	For the year ended 31 March 2016
"Deferred Tax Liability/(Asset): On account of depreciation under Companies Act, 1956 and Income Tax Act, 1961 (Timing Difference)"	6.64



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FINANCIAL STATEMENTS

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32. Notes forming part of the Financial Statements

Particulars	As At 31st March, 2016
Domestic	3.34
Foreign	-
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 ended 31 March 2016
Segment Revenue	
Agarbathi Division	9,053
Hotel Division	2,036
Construction Division	596
Windmill Division	27
Increase/(Decrease) in stock	-10
Total	11,701
Less: Inter Segment Revenue	
Net Sales/Income from Operation	11,701
Segment Results	
Agarbathi Division	757
Hotel Division	183
Construction Division	132
Windmill Division	27
Total	1,098
Less: Financial Charges	897
Profit before Tax	202
Capital Employed	
Agarbathi Division	5,892
Hotel Division	-491
Windmill Division	238
Construction Division	424
Total	6,063

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

Particulars	" Accretion/ (Decretion) to Stock "
Agarbathi Division	(10)
Hotel Division	-



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

6 Related Party Disclosure :

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

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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Transactions during the year

(Amount in Lakhs)

Relation ship Index	Name of the Related Party	Nature of Relationship	Nature of Transaction	For the year ended 31.03.2106
D	Ambica Krishna Ambica Ramachandra Rao A B N V R A Hanuma A Siva Kumar	MD Director CFO COO	Remuneration Remuneration Remuneration Remuneration	24 12 12 12
E	ACP Industries Ltd.	Enterprises over which parties referred in (C) or (D) as stated above are having significant Influence	Purchase of Durbar bathies	3929

Outstanding balances as at 31 March 2016

(Amount in Lakhs)

F	ACP Industries Ltd.	"Enterprises over which parties referred in C) or(D) as stated above are having significant influence"	1. Trade cum Caution Deposit 2. Trade payables (Debit balance)	1,200 1,279
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7. Sundry debtors and creditors are subject to confirmations.

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

8 a) Construction Work at Vizag:

The Company has entered into a Licence agreement with APSRTC for construction of Commercial complex at Dwarakanagar Bus Station, Vizag on BOT basis for 30 years. The value of work in progress as on 31-03-2016 was Rs.974.42 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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Petition vide W.P.No. 14449/09 before the Honourable High Court of Andhra Pradesh which is pending for disposal. Keeping the dispute in view the company is not paying the License fees to be payable as per the BOT agreement with the APSRTC. The Company is in discussion with APSRTC for amicable resolution of the dispute.

- 9 Investment in Vaibhav Skyscapes Ltd.,**
During the Financial Year 2008-09, the company has transferred all its interest and investments in M/s. Vaibhav Skyscapes Pvt Ltd., to Vaibah Empire Pvt Ltd., and the formalities for the registration of the same are still pending.
- 10** Previous Years's figures have been regrouped/reclassified wherever necessary to confirm to the current year's classification.

As per our Report attached

For Ambica Agarbathies Aroma & Industries Ltd.

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

Sd/-
AMBICA KRISHNA
Chairman & Managing Director
Sd/-
AMBICA HANUMAN
CFO

Sd/-
AMBICA RAMACHANDRA RAO
Director
Sd/-
MOHIT KHANDEIWAL
Company Secretary

Place : Hyderabad
Date : 28.05.2016



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

E-VOTING

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

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

- (i) The voting period begins on TUESDAY 20th September, 2016 at 10.00 AM and ends on Thursday, 22nd September, 2016 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16th September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
- (vi) For CDSL: 16 digits beneficiary ID,
- (vii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (viii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (ix) Next enter the Image Verification as displayed and Click on Login.
- (x) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (xi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(To be surrendered at the venue of the meeting)

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

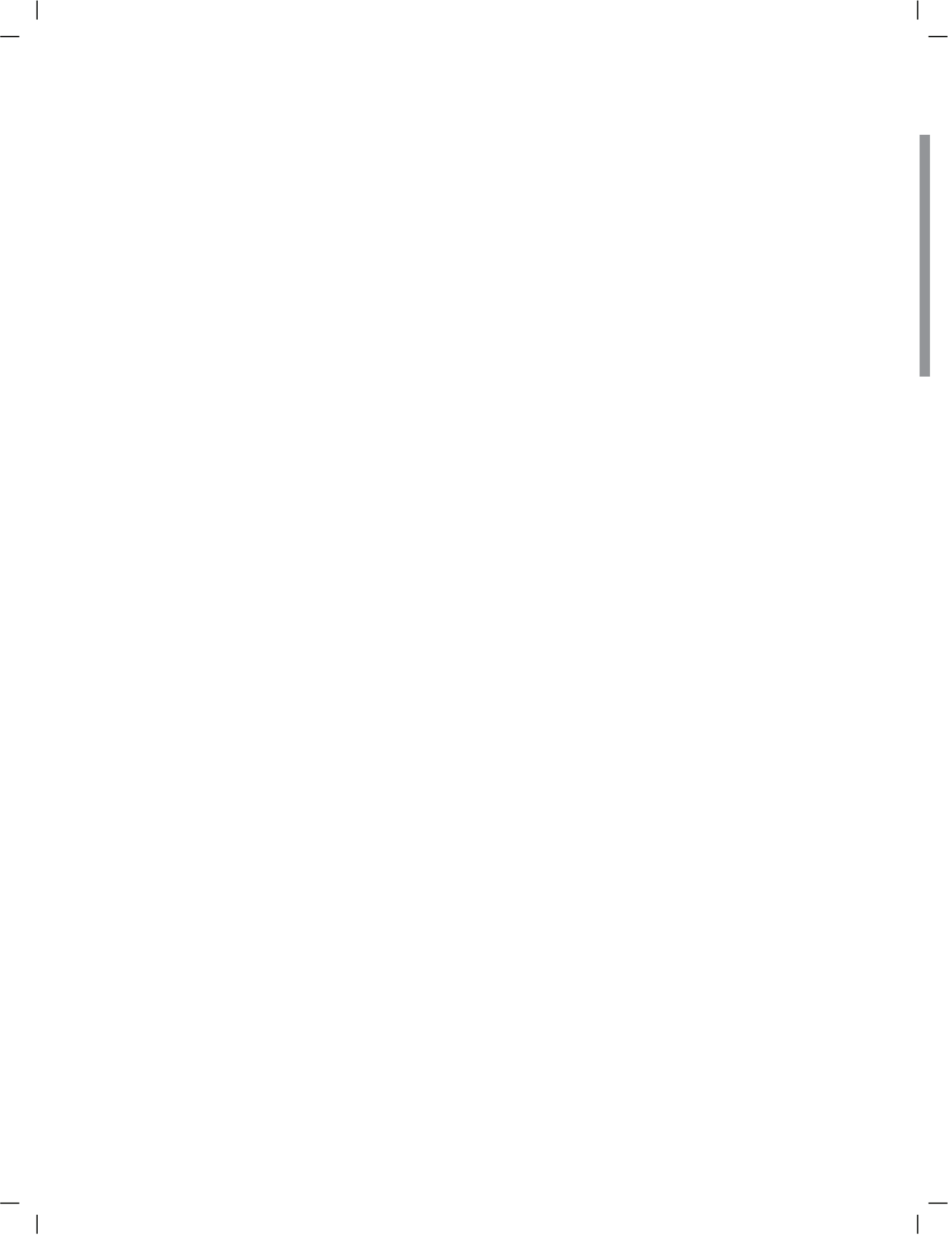
I hereby record my presence at the 21st Annual General Meeting of the shareholders of Ambica Agarbathies Aroma & Industries Limited on FRIDAY 23rd September, 2016 at 11.00 A.M. at the Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District Andhra Pradesh - 534001.

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

*Applicable if shares are held in electronic form

Name and Address of Member

Signature of Shareholder/ Proxy/
Representative (Please Specify)





AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Form No. MGT-11 Proxy form

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

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual general meeting of the company, to be held on the day of..... At..... a.m. / p.m. at..... (Place) and at any adjournment thereof in respect of such resolutions as are indicated below



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

Sl no	Resolutions	For	Against
1	Consider and adopt audited financial statements as at 31.03.2016 and profit and loss accounts for the year ended and the reports of the board of Directors and Auditors		
2	Re-appointment of Sri Ambica Ramchandra Rao Director who retires by rotation		
3	Ratification of statutory auditor and fix their remuneration		

Signed this day of 2016.

Affix
Revenue
Stamp

Signature of shareholder:

Signature of Proxy holder(s):

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

STAMP

if undelivered please return to :

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