



AMBICA AGARBATHIES AROMA & INDUSTRIES LTD

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

PHONES : 230629, 230216, FAX : 08812 - 233876

Date: 27th June, 2018

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: - 22nd 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 22nd 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 27th June 2018, 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 2016-17 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
CEO & President


Smt. Satyavathi Perla
Executive Director
DIN No. 07141289



22nd

Annual Report

2016 - 2017



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

22nd Annual General Meeting

WEDNESDAY 27TH JUNE, 2018

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
Uma Gayatri

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

Satram Padu, Eluru, Duggirala, Eluru, West
Godavari dist, Andhra Pradesh

Corporate identification number(CIN)

L24248AP1995PLC020077

Statutory Auditors

M/S. RAMASAMY KOTESWARA RAO & CO.
Chartered Accountants
D.No.8-2-293/82/Jiii/573/M 1st Floor,
Road No-82, Jubilee
Hills Hyderabad – 500 096

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

P.V.Sreedharan	-	Chairman
P.Kishore Thandava	-	Member
N. Kameswara Rao	-	Member

REMUNERATION COMMITTEE

P.V.Sreedharan	-	Chairman
P.Kishore Thandava	-	Member
N.Kameswara Rao	-	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

P.V.Sreedharan	-	Chairman
P.Kishore Thandava	-	Member
N. Kameswara Rao	-	Member



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the members of the Company will be held on WEDNESDAY 27TH JUNE, 2018 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, 2017, the reports of the Board of Directors and Auditors thereon;
2. To appoint a director in place of Satyavathi perla (DIN 07141289), who retires by rotation and being eligible offers herself 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 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Ramasamy Koteswara Rao & Co LLP (FRN: 010396S). Chartered Accountants, Hyderabad be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting for a period of 5 years, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2019.”

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

Sd/-

AMBICA KRISHNA

Chairman and Managing Director
(DIN 00391898)

Place : Eluru
Date : 11.05.2018



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 23rd June, 2018 to Wednesday 27th June, 2018** (both day inclusive) for the purpose of 22nd 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 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by **Central Depository Service (India) Limited (CDSL):**

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the Company's Website during the following voting period:



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

COMMENCEMENT OF E - VOTING: From 10.00 A.M. on, Sunday 24th June, 2018 to 5.00 P.M. on Tuesday 26th, June, 2018

E-voting shall not be allowed beyond 5.00 P.M. on Tuesday 26th, June, 2018. During the e-voting period, shareholders of the Company, holding shares either in physical form, as on Wednesday 20th June, 2018 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. Anand Kumar Kasat, Practicing Company Secretary, 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
(DIN 00391898)

Place : Eluru

Date : 11.05.2018



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

Information in respect of directors seeking appointment/re-appointment

Name of the Directors	Smt Satyavathi Perla
<i>Date of first appointment</i>	<i>31/03/2015</i>
<i>Date of birth/age</i>	<i>05/07/1953</i>
<i>Expertise in specific functional areas</i>	<i>More than 3 decades of experience in handling Human resource</i>
<i>Educational qualification</i>	<i>Under Graduate</i>
Chairman/member of the committees of Board of Directors of the company	Nil
List of Directorships, Committee (excluding private limited), 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 22nd Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2017

1. FINANCIAL RESULTS: (₹.in millions)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
Revenue from operations	1214.84	1171.14
Other Income	0.00	0.00
Total Income	1214.84	1171.14
Expenditure	-1072.29	-1028.86
Interest	-85.05	-89.66
Profit before depreciation and Income tax	57.50	52.62
Depreciation	-34.85	-32.44
Net profit before tax	22.65	20.18
Tax	-7.25	-6.66
Profit after tax	15.40	13.52

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. 1214.84 millions as compare to Rs 1171.14 millions and the Net profit 15.39 millions as compare to 13.52 millions.

3. DIVIDEND:

Your Directors do not recommend any Dividend for the Financial Year 2016-2017 as the profits are planned to be ploughed back into the business operations.

4. SUBSIDIARIES:

During the financial year under review, the company has disposed the investment in M/s Ambica Trendset Private Limited a wholly owned subsidiary Company

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, seven board meetings were held on 28.05.2016, 12.08.2016, 06.10.2016, 14.11.2016, 03.01.2017, 14.02.2017, 08.03.2017 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

- i. 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.
- ii. 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.



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- iii. Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/ Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 14, February 2017 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, Smt. Satyavathi perla (DIN 07141289), retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself 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, 2017, 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, 2017.
- (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, 2017, 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

M/s T S Ajai & co Statutory Auditors of the company has tendered his resignation on 23rd January, 2018 and in the Board meeting held on 24th January 2018 the Board has appointed M/s. Ramasamy Koteswara Rao & Co (FRN: 010396S)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

chartered accountant as statutory Auditors to fill the casual vacancy, same was approved by the members in the Extra ordinary General Meeting held on 22nd February, 2018

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, the Statutory Auditor M/s. Ramasamy Koteswara Rao & Co (FRN: 010396S), Chartered Accountant, Hyderabad, be and is hereby appointed as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting for a period of 5 years in accordance with the Act, subject to the ratification of shareholders at every Annual General Meeting.

The company has received letter from M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants under Section 139(1) of the Companies Act, 2013 and the Rules framed there under confirming their eligibility to the effect, that, their appointment, if made, would be within the prescribed limits under provisions of sections specified under the Act and that, they are not disqualified for such appointment within the meaning of the section of the said Act.

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.ambicaagarbathi.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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Requirements) Regulations, 2015 in the following manner is enclosed as "**Annexure – II**" to this report

18. 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, 2017 is given in the FORM NO: MR - 3 is herewith annexed as "**Annexure (III)**" attached hereto and forms part of this Report.

19. 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.

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.

20. 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.

21. 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.

22. 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.

23. 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).



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

24. 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

25. 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)

	2016-17	2015-16
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	nil

26. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

Your Company strongly supports the rights of all its employees to work in an environment free

from all forms of harassment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action. The Company has not received any complaint on sexual harassment during the year

27. 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
(DIN 00391898)

Place : Eluru
Date : 11.05.2018



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Ambica Agarbathies Aroma & Industries Limited manufactures and sells incense sticks in India. Operate hotels in Chennai and Vishakapatnam, It also involves in the film production and distribution activities; engages in wind power generation, 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. 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 Divisions

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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.

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. 1018.62 Lakhs as Compare to Rs 9052.86 Lakhs, the Turnover of hotel division



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was Rs 1104.30 Lakhs as compared to Rs 2036.43 Lakhs and the Turnover of Windmill was 41.19 Lakhs as compared to 26.63 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, 2017, 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 : 11.05.2018

Sd/-
AMBICA KRISHNA
Chairman and Managing Director
(DIN 00391898)



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 Woman 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 2016-2017, 7 (Seven) Board Meetings were held on the following dates: 28.05.2016, 12.08.2016, 06.10.2016, 14.11.2016, 03.01.2017, 14.02.2017 and 08.03.2017. 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 29.09.2016	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	7	7	1	Nil	Nil
Sri Ambica Ramachandra Rao	Executive Director	Yes	7	7	Nil	Nil	Nil
Smt Satyavathi Perla	Non-Executive Director	Yes	7	7	Nil	Nil	Nil
Sri P V Sreedharan	Non-Executive & Independent Director	Yes	7	7	Nil	3	Nil
Sri P Kishore Thandava	Non-Executive & Independent Director	Yes	7	7	Nil	Nil	3
Sri Narayanam Kameswara Rao	Non-Executive & Independent Director	Yes	7	7	Nil	Nil	3



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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

Audit Committee meetings were held on 28-05-2016, 12.08.2016, 14.11.2016 and 14- 02-2017 attendance of each Member of Committee is as follows.

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	4	4
2	P Kishore Thandava	Member	4	4
3	Ambica Ramachandra Rao	Member	4	4

The terms of reference are:

The terms of reference are:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;



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- 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



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Remuneration Committee meetings were held on 28-05-2016, 12.08.2016, 14.11.2016 and 14-02-2017 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	4	4
3	P Kishore Thandava	Member	4	4
3	Ambica Ramachandra rao	Member	4	4

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.

Details of the Directors' Remuneration:

Director	Designation	Remuneration for Financial Year 2016-17 (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 2016-17		
	Received	Resolved	Pending
Total Complaints	3	3	NIL

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on 14, February. 2017, 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, or howsoever insignificant 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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
2015-16	Friday 23rd, September, 2016 at 11.00A.M.	Shankar Towers Powerpet, ELURU	---
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	--

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.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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, Securities Stock Exchanges 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/ LODR Penalties were imposed by the same

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	:	Wednesday 27th June, 2017 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 23rd June, 2017 to Wednesday 27th June, 2017 (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.

Stock Code:

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

• **Market Price Data: During the last Financial Year 2016-2017**

The script of the company in NSE & BSE was suspended for belated compliance under clause 41 of listing agreement

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 2017:

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	2191151 32,86,071 32,78,767 40581 131951	12.76 19.13 19.09 0.24 0.77
	Sub Total B2	8928521	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, 2017

Sl. No.	Category From - To Rs Rs	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1	Up to - 5000	3652	73.19	7397640	4.31
2	5001 - 10000	660	13.23	5784540	3.37
3	10001 - 20000	307	6.15	4951270	2.88
4	20001 - 30000	100	2.00	2621520	1.53
5	30001 - 40000	44	0.88	1592580	0.93
6	40001 - 50000	45	0.90	2147390	1.25
7	50001 - 100000	87	1.74	6493660	3.78
8	100001 and above	95	1.90	140785400	81.96
	Total	4990	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.

82.54% of total equity share capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2017.

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 2016-17.

Sd/-

Ambica Krishna

Chairman & Managing Director
(DIN 00391898)



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

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

I, Sri A. 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 31.03.2017.
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: 11.05.2018

Sd/-
AMBICA HANUMA
Chief Financial Officer



SECRETARIAL AUDIT REPORT

For the financial year ended 31st march, 2017

[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 Shakar 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, 2017 complied with the statutory provisions listed here under 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under, as applicable
- (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; (not applicable during the audit period)
 - 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)
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during the audit period)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- 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) and
- i) The SEBI (Listing Obligations & Disclosure Requirements) 2015, entered into by the Company with Stock Exchange; As Applicable.

Other specifically applicable laws to the Company:

- ❖ Food Safety and Standards Act, 2006 and Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We further report that

- ❖ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ❖ Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- ❖ All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- ❖ 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.
- ❖ There were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- ❖ 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:
 - ✧ The company has filed belated forms with ROC.
 - ✧ The company has belated submitted the compliance under Regulation 33 of SEBI (LODR) regulations 2015 with the stock exchanges.
 - ✧ The equity shares of company is suspended for trading in the both stock exchanges due to non-compliance of clause 41 of listing agreement/ Regulation 33 of SEBI (LODR) regulations 2015

For P S Rao & Associates,
Company Secretaries

Place: Hyderabad
Date: 11.05.2018

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 2017
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 Stated above having Significant influence	Purchase	3,929
			Investments	1500
6	Elite Agro Trading	Enterprises over which parties Stated above having Significant influence	Purchase	26
			Sales	1104
7	Om Trading	Enterprises over which parties Stated above having Significant influence	Purchases	1142



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

ANNEXURE – V

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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 : NIL

S. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	8247749	30	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	8247749	30	8247779	48.02	0.00
B. Public Shareholding									
1. Institutions									
i) FIs	1750	0	1750	0.01	1100	0	1100	0.01	0.01
Sub-total (B)(1):-	1750	0	1750	0.01	1100	0	1100	0.01	0.01
2. Non-Institutions									
a) Bodies Corp.	357340	1900000	2257340	13.14	291151	1900000	2191151	13.14	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	3109832	199039	3308871	19.26	3087032	199039	3286071	19.13	0.23



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2288909	900000	3188909	18.56	2378767	900000	3278767	19.09	0.53
c) Others (specify)									
Non Resident Indians	39581	0	39581	0.23	40581	0	40581	0.24	0.01
Clearing Members	133820	0	133820	0.78	131951	0	131951	0.77	(0.01)
Sub-total (B)(2):-	5928862	2999009	8927871	51.97	5929482	2999039	8928521	51.98	0.01
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	1478331	2999069	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	8.00	0.00	14,64,950	8.00	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	1,39,989	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
	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 (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01-04-16)/end of the year (31-03-2017)	% of total shares of the company				No. of shares	% of total shares of the company
1	Trinethra Infra Ventures Limited	1900000	11.06	1/4/2016	0	Nil Movement During the year		
		1900000	11.06	31/3/2017	0		1900000	11.06
2	Puvvada Bhaskar Rao	900000	5.24	1/4/2016	0	Nil movement During the year		
		900000	5.24	31/3/2017	0		900000	5.24



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

3	Palla anuradha	172188	1.00	01/4/2016	0	Nil Movement During the Year		
		172188	1.00	31/3/2017	0		172188	1.00
4	Neha Investment Pvt. Ltd.	0	0	01/4/2016	0	Purchase	165537	1.00
		0	0	31/3/2017	0		165537	1.00
5	Venkata Sailesh Kumar Lingamallu	144890	0.84	01/4/2016	0	Nil Movement During the Year		
		144890	0.84	31/3/2017	0		144890	0.84
6	Manishaben s. Bhanderi*	0	0.00	01/4/2016		Purchase		
		128732	0.75		128732		128732	0.75
		128732	0.75	31/3/2017				
7	Dheeraj Kumar Lohia	121443	0.71	01/4/2016	0	Nil Movement During the Year	121443	0.71
		121443	0.71	31/3/2017	0		121443	0.71
8.	ANS Pvt Limited	113014	0.66	01/4/2016	0	Nil Movement During the Year	113014	0.66
		113014	0.66	31/3/2017	0		113014	0.66
9.	Divakar Atluri	111659	0.65	01/4/2016	0	Nil Movement During the Year	111659	0.65
		111659	0.65	31/3/2017	0		111659	0.65
10.	Grandhi Sri Venkata Amarendra	102960	0.60	01/4/2016	0	Nil Movement During the Year	102960	0.60
		102960	0.60	31/3/2017			102960	0.60



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		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	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	1,39,989	0.81	1,39,989	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	558079447	9506559	0	567586006
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	558079447	9506559	0	567586006
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	1312544	0	0	1312544
Net Change	1312544	0	0	1312544
Indebtedness at the end of the financial year				
i) Principal Amount	556766903	9506559	0	566273462
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	556766903	9506559	0	566273462



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/WTG: 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 2015-16 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16:**

Name of the Director/Key Managerial Personnel	Remuneration of Director KMP for the financial year 2016-17	% increase in Remuneration in the financial year 2016-17	Ratio of the remuneration to the median remuneration of the employees
Ambica Krishna	24,00,000	Nil	17.52
Ambica Ramachandra Rao	12,00,000	Nil	8.76
Ambica Hanuma	12,00,000	Nil	8.76
Uma Gayathri	1,80,000	Nil	1.31

Note: The median remuneration of employees of the Company during the financial year was Rs.135000

- B. The percentage increase in the median remuneration of employees in the financial year:6.12%**
C. The number of permanent employees on the rolls of company: 380
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 2016-17 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
AMBICAAGARBATHIES AROMA & INDUSTRIES LIMITED

Sd/-
AMBICA KRISHNA
Chairman and Managing Director
(DIN 00391898)

Place: Eluru
Date: 11.05.2018



**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, 2017 as stipulated in LODR Regulations 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 Regulations

We state that in respect of investor grievances received during the year ended 31st March, 2017 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.

For Ramasamy Koteswara Rao & Co LLP

Chartered Accountants

Firm Registration Number: 010396S/S200084

(C V Koteswara Rao)

Partner

Membership No.028353

Place: Hyderabad

Date: 11.05.2018



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMBICA AGARBATHIES AROMA AND INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Ambica Agarbathies Aroma & Industries Limited ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 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 there under.

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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as 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 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 written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, there are two directors disqualified as on March 31, 2017 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 B".
 - 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 has disclosed the impact of pending litigations on its financial position in its financial statements.
 - 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.
 - iv. The Company has provided requisite disclosures in its financial statement as to holdings as well as dealing in Specified Bank Notes during the period 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer note 12 of the financial statements.

For Ramasamy Koteswara Rao & Co LLP

Chartered Accountants

Firm Registration Number: 010396S/S200084

(C V Koteswara Rao)

Partner

Membership No.028353

Place: Hyderabad

Date: 08-03-2018



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Annexure to the Auditors' Report

(referred to in paragraph 1 of our Report of even date to the Members of "Ambica Agarbathies Aroma & Industries Limited" for the year ended March 31, 2017)

i. On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that;

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have been physically verified by the management during the year in accordance with a phased program of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information furnished to us, no material discrepancies have been noticed on such verification.

(c) As informed by management, the title deeds of immovable properties are held in the name of the company.

ii. The Company has conducted physical verification of the inventory at regular intervals and no material discrepancies were noticed during such verification.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the

provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

iv. The company does not have granted any loans but has made investments and same is in compliance with Sections 185 and 186 of Companies Act 2013.

v. The Company does not have accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. The maintenance of cost records under section 148(1) of the Companies Act, 2013, is not applicable for any of the activities or services provided by the company

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company does not have been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable are as follows



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

SI No.	Particulars	Nature of Due Assessment	Relevant Year	Amount
1	The Income Tax Act, 1961	Income Tax	2003-04	11,85,660
2	The Income Tax Act, 1961	Income Tax	2006-07	2,29,310
3	The Income Tax Act, 1961	Income Tax	2009-10	16,35,849
4	The Income Tax Act, 1961	Income Tax	2009-10	8,17,760
5	The Income Tax Act, 1961	Income Tax	2010-11	9,78,330
6	The Income Tax Act, 1961	Income Tax	2012-13	30,23,380
7	The Income Tax Act, 1961	Income Tax	2014-15	20,11,390
8	The Income Tax Act, 1961	TDS on Works Contracts	2007-08	13,20,000
9	The Income Tax Act, 1961	TDS on Works Contracts	2008-09	8,85,388
10	The Income Tax Act, 1961	TDS on Works Contracts	2011-12	3,92,312

- (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, value added tax except income tax outstanding on account of any dispute.

Name of the Statute	Nature of dues	Demand	Assessment Year	Forum Where Dispute is Pending
Income Tax act, 1961	Assessment made u/s. 143(3)	64,90,950	2013-14	CIT(A), Chennai, Tamil Nadu.
Income Tax act, 1961	Assessment made u/s. 154	31,44,550	2015-16	CIT(A), Chennai, Tamil Nadu.

- viii. The Company has not defaulted in any repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company and hence not commented upon.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. The Company does not have made a preferential allotment of equity shares and fully convertible debentures during the year. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Ramasamy Koteswara Rao & Co LLP

Chartered Accountants

Firm Registration Number: 010396S/S200084

(C V Koteswara Rao)

Partner

Membership No.028353

Place : Hyderabad

Date : 08.03.2018



“Annexure B” to the Independent Auditor’s Report

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 & Industries Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For Ramasamy Koteswara Rao & Co LLP

Chartered Accountants

Firm Registration Number: 010396S/S200084

(C V Koteswara Rao)

Partner

Membership No.028353

Place : Hyderabad

Date : 08.03.2018



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH , 2017

Particulars	Note No	As at 31.3.2017 ₹	As at 31.3.2016 ₹
I. EQUITY AND LIABILITIES			
1 Share holders funds			
(a) Share capital	1	17,12,94,623	17,12,94,623
(b) Reserves and surplus	2	20,53,65,723	18,99,67,273
		37,66,60,346	36,12,61,896
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	9,54,06,068	10,26,74,640
(b) Deferred tax liabilities (Net)	4	4,82,24,778	4,81,34,062
(c) Other long-term liabilities	5	3,21,03,776	6,13,00,716
		17,57,34,622	21,21,09,418
(4) Current Liabilities			
(a) Short-term borrowings	6	47,08,67,394	46,49,11,366
(b) Trade payables	7	7,53,06,927	3,46,85,513
(c) Other current liabilities	8	2,32,01,064	1,86,27,679
(d) Short-term provisions	9	1,26,44,233	2,01,87,874
		58,20,19,618	53,84,12,432
TOTAL		1,13,44,14,586	1,11,17,83,746
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets	10		
(i) Tangible assets		45,22,38,789	38,06,61,615
(ii) Intangible assets		2,15,293	2,05,291
(iii) Capital work-in-progress		-	9,74,50,891
		45,24,54,082	47,83,17,797
(b) Non-current investments	11	15,00,00,000	1,00,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	12	15,07,62,718	14,50,33,728
		30,07,62,718	14,51,33,728
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	13	19,17,78,291	21,40,59,880
(c) Trade receivables	14	8,75,92,097	7,45,38,705
(d) Cash and cash equivalents	15	1,06,27,592	45,78,202
(e) Short-term loans and advances	16	59,16,123	5,27,34,971
(f) Other current assets	17	8,52,83,677	14,24,20,463
		38,11,97,781	48,83,32,221
Division Balances		-	-
TOTAL		1,13,44,14,586	1,11,17,83,746

As per our Report of even date

For Ramasamy Koteswara Rao & Co LLP
Chartered Accountants
Firm Regn No.010396S/S200084

(C V Koteswara Rao)
Partner
Membership No-028353

Place : Hyderabad
Date : 08.03.2018

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA SIVA KUMAR ALAPATI
Director

Sd/-
SATYAVATHI PERLA
Director

Sd/-
AMBICA HANUMA
(CFO)

Sd/-
UMA GAYATHRI
Company Secretary



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note No	For the Year Ended 31.3.2017 ₹	For the year Ended 31.3.2016 ₹
I. Revenue from operations	18	1,19,22,18,810	1,15,67,39,597
II. Other income	19	2,26,17,193	1,44,04,278
	-	-	-
III. TOTAL REVENUE (I+II)		<u>1,21,48,36,002</u>	<u>1,17,11,43,875</u>
IV. Expenses:			
(a) Cost of materials consumed	20	12,20,95,896	21,32,00,819
(b) Purchase of Stock in Trade		54,23,29,516	40,70,15,460
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade "	21	4,98,45,589	-9,96,577
	-	-	-
(d) Employee benefits expense	22	3,90,96,728	4,45,25,832
(e) Finance costs	23	8,50,52,329	8,96,64,441
(f) Depreciation and amortisation expense	10	3,48,53,213	3,24,43,129
(g) Other expenses	25	31,89,16,377	36,51,10,215
		<u>1,19,21,89,648</u>	<u>1,15,09,63,319</u>
TOTAL EXPENSES		<u>1,19,21,89,648</u>	<u>1,15,09,63,319</u>
V. PROFIT BEFORE TAX (III-IV)		2,26,46,354	2,01,80,556
	-	-	-
VI. Tax expense:			
(i) Current tax	26	61,38,298	59,94,950
(ii) Prior Period income tax		33,10,179	-
(iii) MAT Credit entitlement		-22,91,285	-
(iv) Deferred tax		90,716	6,64,968
		72,47,908	66,59,918
VII. PROFIT (LOSS) FOR THE PERIOD (V-VI)		<u>1,53,98,446</u>	<u>1,35,20,638</u>
VIII. Earnings per equity share : Basic and diluted	27	0.90	0.79
IX. NOTES FORMING PART OF THE FINANCIAL STATEMENT	1-32		

As per our Report of even date

For Ramasamy Koteswara Rao & Co LLP
Chartered Accountants
Firm Regn No.010396S/S200084

(C V Koteswara Rao)
Partner
Membership No-028353

Place : Hyderabad
Date : 08.03.2018

For Ambica Agarbathies Aroma & Industries Ltd.

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA SIVA KUMAR ALAPATI
Director

Sd/-
SATYAVATHI PERLA
Director

Sd/-
AMBICA HANUMA
(CFO)

Sd/-
UMA GAYATHRI
Company Secretary



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2016-2017

Particulars	For the Year Ended 31.3.2017 ₹	For the year Ended 31.3.2016 ₹
I. Net Income before taxes	2,26,46,354	2,01,80,556
Adjustments for:		
Depreciation	3,48,53,213	3,24,43,129
Interest Expenditure	7,06,10,113	8,96,64,441
Interest Income	(28,64,166)	(1,01,990)
Profit on sale of asset	(1,42,133)	
	<u>10,24,57,027</u>	<u>12,20,05,580</u>
Operating profit before working capital changes	12,51,03,382	14,21,86,136
(Increase)/decrease in Inventories	2,22,81,589	16,28,130
(Increase)/decrease in Trade receivables	(1,30,53,392)	1,09,92,925
(Increase)/decrease in Short term Loans and advances	4,68,18,848	
(Increase)/decrease in Short term Borrowings	59,56,028	20,12,95,108
(Increase)/decrease in other current assets	5,80,48,483	(10,18,36,877)
Increase/(decrease) in Other Liabilities and Provisions	(53,54,184)	(2,51,52,324)
Increase/(decrease) in Trade Payables	4,06,21,414	60,69,065
Increase/(decrease) in other Non current liabilities	-	
Increase/(decrease) in other current liabilities	45,73,385	
Cash generated from operations	28,49,95,552	23,51,82,163
Income taxes paid	(1,02,58,345)	(1,13,94,630)
Net cash from / (used in) operating activities	27,47,37,207	22,37,87,533
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Tangible/Intangible Fixed assets	(97,00,367)	(2,24,28,851)
Proceeds from disposal of Fixed Assets	8,53,000	5,41,03,094
Interest / dividends received	28,64,166	1,01,990
Net cash from / (used in) investing activities	(59,83,201)	3,17,76,233
CASH FLOWS FROM FINANCING ACTIVITIES		
(Increase)/decrease in Non Current Investments	(14,99,00,000)	
(Increase)/decrease in Long term Borrowings	(72,68,572)	(17,58,81,655)
(Increase)/decrease in Other long-term liabilities	(2,91,96,940)	
(Increase)/decrease in Other long-term loans and Advances	(57,28,990)	
Interest paid	(7,06,10,113)	(8,96,64,441)
Net cash from / (used in) financing activities	(26,27,04,616)	(26,55,46,096)
NET CHANGE IN CASH AND CASH EQUIVALENTS	60,49,390	(99,82,330)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	45,78,202	1,45,60,532
CASH AND CASH EQUIVALENTS END OF YEAR	1,06,27,592	45,78,202

As per our Report of even date

For Ramasamy Koteswara Rao & Co LLP
Chartered Accountants
Firm Regn No.010396S/S200084

(C V Koteswara Rao)
Partner
Membership No-028353

Place : Hyderabad
Date : 08.03.2018

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA SIVA KUMAR ALAPATI
Director

Sd/-
SATYAVATHI PERLA
Director

Sd/-
AMBICA HANUMA
(CFO)

Sd/-
UMA GAYATHRI
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 Amended Companies (Accounting Standard) Rules 2016, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013.

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 recognized 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 realization 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 pro rata 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 is valued 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.

Revenue from hotel sales (food and beverages) is recognized upon rendering of service to customers.

Interest Income is recognized on accrual basis.

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 realization of the investments. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

1.12 Employee Benefits:

Short-term employee benefits are recognized 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 capitalized 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 Provisions and Contingencies:

A provision is recognised 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.

1.16 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

Notes forming part of the Financial Statements

Note No : 2 SHARE CAPITAL

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
		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, 2017		As at 31st March, 2016	
		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 sharehold-
ing.



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, 2017		As at 31st March, 2016	
		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 : 2 RESERVE AND SURPLUS

Sl. No.	Particulars	2016-2017	2015-2016
	General Reserves	1,77,72,017	1,77,72,017
	Security Premium	2,48,00,035	2,48,00,035
	Capital Reserve	5,21,230	19,15,503
	Invest Subsidy Receipt	13,94,273	
		4,44,87,555	4,44,87,555
	b. Surplus		
	Opening Balance	14,54,79,723	14,36,01,401
	(+) Net Profit/(Net Loss)		
	For the current year	1,53,98,446	1,35,20,638
	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)
		16,08,78,168	14,54,79,718
		20,53,65,723	18,99,67,273



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 3 Long Term Borrowings

(Amount in ₹)

	2016-17	2015-16
Secured Loans		
Term Loan from Indian Overseas Bank	7,99,06,348	8,22,89,125
Vehicle Loans Taken from Banks and Financial Institutions	1,68,62,243	1,93,93,772
Less: Current Maturities of Long Term Debts from Bank and Financials Institution	-1,08,69,082	-85,14,816.00
Unsecured Loans		
Loans from Directors and Relatives	95,06,559	95,06,559
Total	9,54,06,068	10,26,74,640

Type of Loan	Loan Details
Term Loan	Term loan from Indian overseas bank secured by colletearl properties (Land of 8064 sqft and Buildings of 21000 sqft)

Note No : 4 Deferedtax Liability

Sl. No.	Particulars	2016-2017	2015-2016
	(a) Defered tax Liability	4,82,24,778	4,81,34,062
	Total	4,82,24,778	4,81,34,062

Note No. : 5 OTHER LONG -TERM LIABILITIES

Sl. No.	Particulars	2016-2017	2015-2016
	Trade Deposits	3,21,03,776	3,21,03,776
	Construction Division	-	2,31,48,063
	APSRTC-VIJAYAWADA	-	60,48,877
	Other Advances	-	-
	Total	3,21,03,776	6,13,00,716

Note No. : 6 Short Term Borrowings

Sl. No.	Particulars	2016-2017	2015-2016
	Secured:		
	(a) Loan repayable on demand :		
	Working Capital Loan - CC	47,08,67,394	45,49,20,366
	LC Bills payable on demand	-	99,91,000
	Total	47,08,67,394	46,49,11,366



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

(Amount in ₹)

(c) Repayment terms of Short Term Loans

Sl. No.	Name of Lender	Terms of Repayment
1	Corp Bank CMTCC Loan	Running account repayable on demand subject to annual

Note No : 7 Trade Payables

Sl. No.	Particulars	2016-2017	2015-2016
	(a) Sundry Creditors		
	Agarbathi Division	6,40,27,652	2,71,46,403
	Hotel Division	1,12,79,275	75,39,110
	Total	7,53,06,927	3,46,85,513

Note No : 8 Other Current Liabilities

Sl. No.	Particulars	2016-2017	2015-2016
	TDS Payable	6,36,762	26,14,152
	Unpaid Dividend	6,23,674	6,23,674
	Duties and Taxes	42,59,507	24,05,336
	Current Maturities of Long Term Debts from Bank and Financials Institution	1,08,69,082	85,14,816
	Salaries Payable	10,42,772	15,80,974
	Deposites from Distributers	-	37,032
	Other Payables	57,69,268	28,51,695
	Total	2,32,01,064	1,86,27,679

Note No : 9 Short Term Provisions

Sl. No.	Particulars	2016-2017	2015-2016
	Provision for Dividend Tax	4,15,872	
	Provision for Income Tax	74,22,205	1,43,70,372
	Provision for Current Tax	47,58,710	
	Provision for ESI/ PF	47,446	
	Provision for Employee Benefits	-	58,17,502
	Total	1,26,44,233	2,01,87,874



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

11. FIXED ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		Balance as at 1st April 2016	Additions	Disposals	Balance as at 1st April 2016	Depreciation On disposals the year	Balance as at 31st March 2016	Balance as at 31st March 2017
1	LAND	57,83,899	-	-	-	-	57,83,899	57,83,899
2	BUILDINGS	12,42,65,652	-	4,13,163	2,99,00,755	21,40,352	9,43,64,897	9,22,24,545
3	Lease hold building	6,76,28,327	9,74,41,772	-	34,76,805	10,83,213	6,41,51,522	16,05,10,081
3	COMPUTER	1,20,78,404	6,84,636	3,17,005	1,18,28,129	5,39,185	2,50,275	3,95,726
4	FURNITURE, FITTINGS & EQUIPMENT	18,06,45,310	22,97,147	15,00,617	12,12,31,156	1,01,32,412	5,94,14,154	5,15,78,888
5	PLANT AND MACHINERY	26,70,57,880	16,35,302	10,02,397	14,80,62,980	1,33,48,902	11,89,94,900	10,72,81,301
6	VEHICLES	7,84,75,522	50,51,782	21,93,061	4,07,73,553	75,87,651	3,77,01,969	3,44,64,352
7	INTANGIBLE ASSETS	12,85,000	31,500	-	10,79,709	21,498	2,05,291	2,15,293
8	Capital work in progress	9,119	-	9,119	-	-	9,119	-
	Total	73,72,29,113	10,71,42,139	54,35,362	35,63,53,087	3,48,53,213	38,08,76,026	45,24,54,085



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 11 Non-Current Investments

(Amount in ₹)

Sl. No.	Particulars	2016-2017	2015-2016
	Investments in ACP Industries Ltd 37,50,000 0% Redemable Preference shares of RS.10 at premium Rs.30 (3750000*40) Investment in Subsidiary Ambica trendset pvt Ltd (10000 Equity shares of Rs. 10 each)	15,00,00,000	1,00,000
	Total	15,00,00,000	1,00,000

Note No : 12 Long Term Loans and Advances

Sl. No.	Particulars	2016-2017	2015-2016
	Other loans and advances	-	
	Security Deposits	1,76,62,718	1,39,18,627
	Trade Deposits	12,00,00,000	12,00,00,000
	Hotel Division-Security Deposites	-	55,75,181
	Contruccion Division -Security Deposites	-	55,39,920
	Contruccion Division -Advances	1,31,00,000	-
	Total	15,07,62,718	14,50,33,728

Note No : 13 Inventories

Sl. No.	Particulars	2016-2017	2015-2016
	Inventory	-	
	Raw Materials	18,37,79,017	15,61,15,017
	Packing Materials	61,98,467	62,98,467
	Finished Goods	18,00,807	5,16,46,396
	Total	19,17,78,291	21,40,59,880

Note No : 14 Trade Receivables

Sl. No.	Particulars	2016-2017	2015-2016
	Sundry Debtors	8,09,72,156	6,87,66,913
	Hotel Division-Others	66,19,941	57,71,792
	Total	8,75,92,097	7,45,38,705



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 15 Cash and cash equivalents

(Amount in ₹)

Sl. No.	Particulars	2016-2017	2015-2016
	Agarbathies Division		
	Balances with Banks	43,55,465	50,36,743
	Cash on hand	15,83,458	12,81,025
	Hotel Division		
	Bank-Current Account	45,52,586	(20,41,416)
	Cash in hand	1,36,085	2,26,378
	Contruccion Division-cash	-	75,472
	Total	1,06,27,594	45,78,202

Note No : 16 Short term Loans & Advances

Sl. No.	Particulars	2016-2017	2015-2016
	Staff Loans	5,25,515	-
	Share Application money		3,00,00,000
	With Statutory Authorities	36,55,347	4,05,270
	Other Loans and Advances	17,35,261	13,69,874
	Hotel Division-With Statutory Authorities	-	4,34,827
	Construction Division-Share Application Money	-	2,05,25,000
	Total	59,16,123	5,27,34,971

Note 17 Other Current Assets

Sl. No.	Particulars	2016-2017	2015-2016
	Deposits	51,57,873	
	Prepaid Expenses	14,10,064	14,97,464
	Rent Receivables	4,17,692	
	TDS Receivables	-	59,55,166
	MAT Credit entitlement	9,11,697	
	Other loans and advances	7,73,86,351	13,49,67,833
	Total	8,52,83,677	14,24,20,463



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 18 Revenue from operations

(Amount in ₹)

Sl. No.	Particulars	2016-2017	2015-2016
	Durbar Sales	62,31,16,462	59,99,57,845
	Scented Sales	26,80,88,201	27,94,98,967
	Maize Sales	11,04,47,881	1,04,76,000
	Depos Pooja Oil Sales	1,19,56,734	29,54,459
	DEPOS CAMPHOR SALES	50,11,762	7,59,182
		-	89,36,46,453
	Hotel Division	-	
	Sale of products	-	
	Food Sales	5,03,45,484	9,36,66,338
	Sales of Services	-	
	Rent Receipts	2,36,66,485	5,27,81,543
	Hospitality Income	3,64,18,473	4,38,62,149
	Foreign Currency Fluctuation	1,342	69
	Income from SPA	95,40,140	6,33,425
	Wind Power	41,19,500	-
	Other Operating revenues	2,42,72,387	1,25,97,870
		-	
		-	20,35,41,394
	Ambica Sea Green Division	-	
	Construction Division	-	5,95,51,750
	Total	1,16,69,84,850	1,15,67,39,597

Note No : 19 Other income

Sl. No.	Particulars	2016-2017	2015-2016
	Interest	28,64,166	-
	Profit on Sale of Fixed Assets/CWP	1,42,133	6,101
	Special Rebate	1,96,10,894	-
	Other non-operative Income	-	1,42,96,187
	Hotel Division-Interest		1,01,990
	Total	2,26,17,193	1,44,04,278



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 20 COST OF MATERIAL CONSUMED

Sl. No.	Particulars	2016-2017	2015-2016
	Opening Stock		
	raw Material	15,36,58,633	15,57,24,818
	Packing Materials	62,98,467	53,02,011
		15,99,57,100	16,10,26,829
	Add: Purchases		
	Raw Materials	13,85,11,486	8,82,63,725
	Packing Materials	3,99,28,379	3,35,54,160
		17,84,39,865	12,18,17,885
	Less: Closing Stock		
	Raw Materials	18,37,79,017	15,26,25,274
	Packing Materials	61,98,467	62,98,467
		18,99,77,484	15,89,23,741
	Cost of Material Consumed		
	Raw Materials	10,83,91,102	9,13,63,269
	Packing Materials	4,00,28,379	3,25,57,704
	Hotel Division-Purchases	-	4,39,09,011
	Construction Division-Purchases	-	4,53,70,835
		14,84,19,481	21,32,00,819

Note No : 21 Purchase of Stock in Trade

Sl. No.	Particulars	2016-2017	2015-2016
	Ambica Durbar	39,26,89,666	39,29,34,795
	Oils	1,21,52,391	31,17,145
	Ambica Camphor	47,46,601	9,72,520
	Maize	10,64,17,273	99,91,000
	Total	51,60,05,931	40,70,15,460



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No : 21 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in ₹)

Sl. No.	Particulars	2016-2017	2015-2016
	Opening Stock		
	Durbar	3,48,23,583	3,48,23,583
	Scented	1,58,26,236	1,58,26,236
	Oil	7,15,873	-
	Camphor	2,80,704	-
	Total	5,16,46,396	5,06,49,819
	Closing Stock		
	Durbar	2,30,510	3,48,23,583
	Scented	8,26,236	1,58,26,236
	Oil	2,59,150	7,15,873
	Camphor	4,84,911	2,80,704
	Total	18,00,807	5,16,46,396
	-		
	Total	4,98,45,589	(9,96,577)

Note No : 23 Employee Benefits Expense

Sl. No.	Particulars	2016-2017	2015-2016
	(a) Salaries	3,04,03,136	2,40,17,501
	(b) Remuneration to Directors	36,00,000	-
	© Bonus	14,04,609	-
	Staff Cost	3,16,821	-
	SECURITY CHARGES	11,500	-
	PF/ESI	-	2,26,791
	(d) Staff welfare expenses	33,60,662	21,01,762
	Hotel Division	-	-
	(a) Salaries	-	1,58,75,049
	PF/ESI	-	10,25,766
	(d) Staff welfare expenses	-	12,78,963
	Total	3,90,96,728	4,45,25,832



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Note 24 Finance costs

(Amount in ₹)

Sl. No.	Particulars	2016-2017	2015-2016
	Interest on Term Loans & Others	8,10,84,861	6,13,72,648
	Other Borrowing Cost	-	57,26,113
	Bank Charges	39,67,468	-
	Hotel Division		
	Interest Expenses	-	2,10,01,740
	Other Borrowing Cost	-	15,63,940
	Total	8,50,52,329	8,96,64,441

Note No : 25 Other expenses

Sl. No.	Particulars	2016-2017	2015-2016
	Administrative Expenses	1,91,40,005	2,31,07,751
	Advertisement Charges	1,75,85,285	3,11,03,483
	Factory Expenses	17,250	
	Trade Discounts	11,76,24,576	12,06,14,611
	Agarbathi Making & Packing Charges	1,10,20,546	1,16,30,568
	Freight and Dispatch Exp	1,19,45,777	1,09,78,915
	Incentive on Sales	46,94,431	
	Power & Fuel Charges	44,88,160	40,15,873
	Rates & Taxes	3,35,54,082	14,55,288
	Rents	11,41,320	15,81,568
	Repairs & Maintenance	43,90,531	78,48,866
	Round Off	59,280	
	Vehicle Maintenance	81,00,344	84,79,399
	Application Fees	1,72,500	
	Audit Fee	7,53,750	8,74,800
	Bad Debts	38,21,671	
	Books and Periodicals	47,914	
	CDSL & NSDL FEE	1,43,141	
	Internal Audit Fee	1,80,000	1,80,000
	Exhibition Expenses	83,404	
	Freight Inward	2,11,561	
	Hyderabad Office Maintenance	11,94,912	
	Legal Expenses	21,000	
	Listing Fee	7,86,196	
	Loading and Unloading	2,69,917	
	Odissa Entry Tax	79,628	
	REGISTRATION EXPENSES	52,500	
	ROC Expenses	50,000	
	Sales Promotion Expenses	17,94,233	



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Interest on tds	2,565	
Miscellaneous Expenditure	-	1,82,147
Turnover and entry Tax	-	3,79,72,528
	-	26,00,25,797
Hotel Division	-	
Rates & Taxes	1,96,59,020	17,40,924
CONVEYANCE	2,04,748	2,77,370
INSURANCE	3,96,787	5,05,497
POOJA EXPENSES	1,09,769	
POST & TELEGRAPHS	57,160	86,786
PRINTING & STATIONARY	5,50,293	13,12,248
PROFESSIONAL CHARGES	1,72,751	
Rents		54,00,710
SUBSCRIPTION	4,56,866	
TELEPHONE & FAX CHARGES	7,54,741	14,32,375
TRAVELLING EXPENSES	50,570	323177
INCIDENTAL CHARGES	18,69,896	
DONATION	5,000	5,000
COMPUTER MAINTANENCE	3,36,737	2,94,539
FEES & CHARGES	30,818	3,80,159
MISCELLANEOUS EXPENSES	12,031	8,43,732
CREDIT CARD COMMISSION	8,24,631	
XEROX CHARGES	650	
FREIGHT & CARTAGE	65,680	
WI FI CHARGES	3,27,316	
DEEPAVALI EXPENSE	49,987	
LICENSE FEE	11,15,224	
INTEREST ON EB	-	
service charge	35,000	
NEWSPAPER	66,483	7,94,755
ANNUAL MAINTANENCE CHARGES	8,94,256	
CABLE TV CHARGES	1,46,105	
COAL	2,21,872	
DIESEL / MAINTENANCE	22,12,027	
ELECTRICITY CHARGES	1,07,24,620	1,74,93,996
FUEL	3,13,350	8162822
GARDEN MAINTANENCE	2,450	
GAS CYLINDER CHARGES	17,68,795	
HOUSE KEEPING EXPENSES	22,56,304	2,88,58,005
KITCHEN EXPENSES	6,68,702	45,87,860
LAUNDRY EXPENSES	10,50,881	
OUTLETS EXPENSES	6,98,103	
REPAIRS & MAINTANENCE	30,34,758	67,36,036
TRANSPORT CHARGES	3,72,796	7,89,347
UNIFORM & LINEN	4,29,419	3,00,297
WATER PURCHASE	19,77,232	
FOOD FESTIVAL EXPENSES	6,220	3,71,511
AUDIO & VIDEO FACILITATE	87,558	
REP & MAINTENANCE	6,50,349	
SHORT & EXCESS	(880)	
NEW YEAR EXPENSE	61,375	



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

SPA EXPENSES	1,92,680	
HIRING MACHINERY EQUIPMENT CHARGES	73,223	
ESI ACCOUNT	1,27,198	
PROVIDENT FUND	6,63,630	
ESTABLISHMENT EXPENSES	1,64,54,327	
ADVERTISEMENT CHARGES	4,72,104	33,63,360
ALLOWANCE	1,29,870	
DISCOUNT ALLOWED	23,972	1,82,535
SALES PROMOTION	2,25,613	8,250
DECORATION EXPENSES	1,05,786	
ROOM COMMISSION	7,49,678	
INTEREST & PENALTIES	79,375	
VEHICLE EXPENSES	14,63,992	17,21,743
TURNOVER AND TAXES		1,80,37,079
LOSS ON SALE OF VEHICLES		-68,230
INTERNAL AUDIT FEE		125300
		10,40,67,183
Construction Division- Cost of Construction		10,17,235
Total	31,89,16,377	36,51,10,215

2) NOTES TO ACCOUNTS

Note No 26: EARNINGS PER SHARE

Sl . No	Particulars	For the Year Ended 31.3.17	For the Year Ended 31.3.16
1	Profit after Tax	1,53,98,446	1,35,20,638
2	Weighted average no. of Equity Shares	1,71,77,400	1,71,77,400
3	Face value per Share	10	10
4	Basic earning per Share	0.90	0.79
5	Diluted earning per Share	0.90	0.79

Note No 27: Contingent Liabilities

Particulars	Amount
Penalties payable to stock exchange authorities	30,68,040
Dispute under Income Tax Act, 1961 of sec 143 (3) before CIT(A) Chennai For AY 2013-14	64,90,950
Dispute under Income Tax Act, 1961 of sec 154 before CIT(A) Chennai For AY 2015-16	31,44,550



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 28 Related Party Disclosure :

Key Managerial Personnel and Relatives

Related Party Relationship	Nature of relationship	Name
Key Managerial Personnel And Relation ship	Managing Director	P V V P Krishna Rao
	Director – Works	A G N V S A Ramachandra Rao
	Relative of Director	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
		Surya
		Ramachandran
		P A Y Madhavi
		A Santoshi
		A Lavanya



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Enterprises in which parties stated above have Significant Influence	Name	Position Held
Ambica Cinema Productions Pvt. Ltd.	P V V P Krishna Rao	Director
	A Ramanjaneyulu	Director
Ambica Bullions	A G N V S A Ramachandra Rao 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 Ramanjaneyulu A V Ambica Prasad A Rajeswara Rao	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 Partner
Sakthi Aromatic Chemicals	A G N V S A Ramachandra Rao A Ramanjaneyulu	Partner Partner
Fine Aromas Private Limited.	A G N V S A Ramachandra Rao A Siva Kumar A B N V R A Hanuma	Director Director Director
ACP Industries Limited	A V Ambica Prasad A Rajeswara Rao A Ramanjaneyulu	Managing Director Director Director
Ambica Windsun Power Private Limited	P V V P Krishna Rao A V Ambica Prasad A Rajeswara Rao	Director Director Director
Ambica Trendset Private Limited	A G N V S A Ramachandra Rao A B N V R A Hanuma	Director Director
Om Trading	Surya A B N V R A Hanuma	Partner Partner
Elite Agro Trading	A Siva Kumar Ramachandran	Partner Partner



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Transactions during the year

(Amount in Lakhs)

Name of the Related Party	Nature of Relationship	Nature of Transaction	For the year ended 31.03.2017
Ambica Krishna	MD	Remuneration	24
Ambica Ramachandra Rao	Director	Remuneration	12
A B N V R A Hanuma	CFO	Remuneration	12
A Siva Kumar	COO	Remuneration	12
ACP Industries Ltd.	Enterprises over which parties stated above are having significant Influence	Purchase of	3929
		Investments	1500
Elite Agro Trading	Enterprises over which parties stated above are having significant Influence	Purchase of	26
		Sales	1104
Om Trading	Enterprises over which parties stated above are having significant Influence		
		Purchase of	1142

Balances as at 31st March, 2017

Name of the Related Party	Nature of Relation Ship	Nature of Transactions	As at 31-03-17
ACP Industries Limited	Enterprises Over which parties stated above has Significant Influence	Trade Cum Caution Deposit	1200
		Other Loans And Advances	1466
Elite Agro Trading	Enterprises Over which parties stated above has Significant Influence	Trade Payables	76
Om Trading	Enterprises Over which parties stated above has Significant Influence	Trade Payables	100



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

Note No 29: Disclosure of Specified Bank Notes

(In Rs)

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	23,44,500	48,66,875	72,11,375
(+) Permitted receipts	-	1,05,03,257	1,05,03,257
(-) Permitted Payments	-	99,33,489	99,33,489
(-) Amount deposited in banks	23,44,500	31,30,000	54,74,500
Closing Cash in Hand as on December 30, 2016	-	23,06,643	23,06,643

As per our Report of even date

For Ramasamy Koteswara Rao & Co LLP
Chartered Accountants
Firm Regn No.010396S/S200084

(C V Koteswara Rao)
Partner
Membership No-028353

Place : Hyderabad
Date : 08.03.2018

For & on behalf of the board

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA SIVA KUMAR ALAPATI
Director

Sd/-
SATYAVATHI PERLA
Director

Sd/-
AMBICA HANUMA
(CFO)

Sd/-
UMA GAYATHRI
Company Secretary



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 SUNDAY 24th JUNE, 2018 to TUESDAY 26th JUNE, 2018 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 20TH June, 2018, 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">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	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">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. Anand Kumar Kasat**, 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.

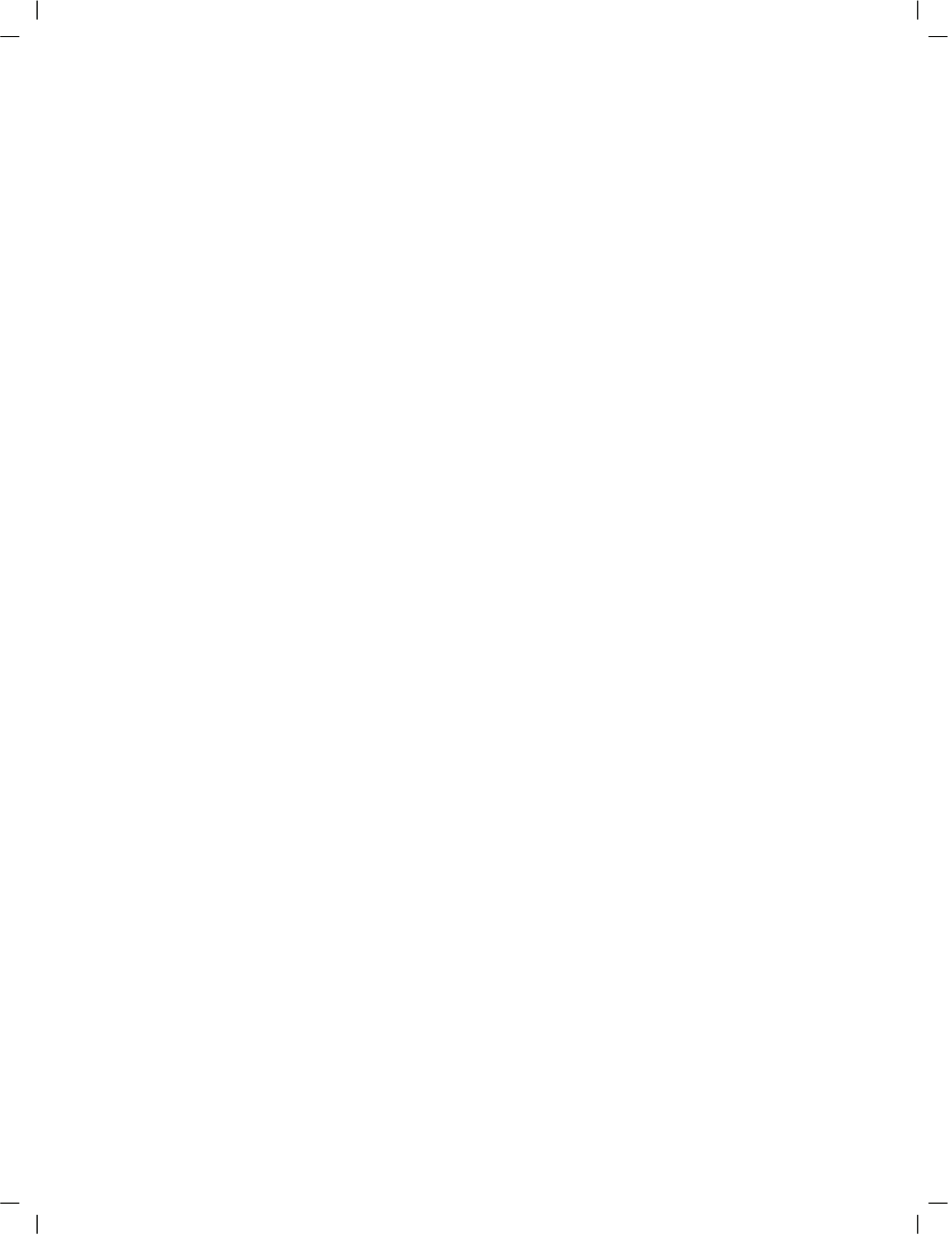
I hereby record my presence at the 22nd Annual General Meeting of the shareholders of Ambica Agarbathies Aroma & Industries Limited on Wednesday 27th June, 2018 at 11.00 A.M. at the Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District Andhra Pradesh - 534001.

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 22nd 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 31.03.2017 and profit and loss accounts for the year ended and the reports of the board of Directors and Auditors		
2	Re-appointment of Smt. Satyavathi Perla Director who retires by rotation		
3	Appointment of statutory auditor and fix their remuneration		

Signed this day of 2018.

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