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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

: Chairman and Managing Director
: Director
: Director
: Director

STATUORY AUDITORS:

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

BANKERS:

CORPORATION BANK
Eluru Branch, ELURU

REGISTERED OFFICE:

Shankar Towers
Powerpet, ELURU - 534 002.

ADMN OFFICE:

Ambica Empire
57, 100ft Road, Vadapalani
CHENNAI.

FACTORY:

- SATRAMPADU, ELURU.
- DUGGIRALA, ELURU

West Godavari Dist.,
Andhra Pradesh.

REGISTRARS & TRANSFER AGENTS:

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

LISTING AT:

National Stock Exchange of India Limited
BSE Limited



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of the Company will be held on SATURDAY 29TH SEPTEMBER, 2012 at 11.00 AM at Registered Office of the Company at Shankar Towers, Powerpet, Eluru, West Godavari District, Andhra Pradesh to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereof.
2. To appoint a director in place of Sri P Kishore Thandava, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint a director in place of Sri Ambica Ramchandra Rao who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint statutory auditors and to fix their remuneration by passing the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Section 224(1) of the Companies Act, 1956, the retiring auditors Sri T. S. Ajai, Chartered Accountant be and is hereby re-appointed as the Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board”

for and on behalf of the Board

Sd/-

AMBICA KRISHNA

Chairman and Managing Director

NOTES:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
- 2) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from **TUESDAY 25TH SEPTEMBER, 2012 TO SATURDAY 29TH SEPTEMBER, 2012** (both day inclusive)
- 4) Members are requested to quote ledger folio/dp id/client id number in all their correspondence to avoid delay in communication.
- 5) Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name.
- 6) Members/Proxies are requested to bring duly filed in attendance slips sent herewith for attending the meeting.

for and on behalf of the Board

Sd/-

AMBICA KRISHNA

Chairman and Managing Director

Place : Hyderabad

Date : 17.08.2012



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

SRI AMBICA RAMCHANDRA RAO

Sri Ambica Ramachand Rao is an Executive Director of the company having vast experience in bringing out qualitative scented Agarbathies. Through his innovative & creative ideas & skills he has developed variety of products for the Agarbathies division of the company which is readily accepted in the market.

He has played a vital role in creating market for the scented segment of the agarbathies, his presence in the Board will enhance the sales of the Company

SRI P KISHORE THANDAVA

Sri P Kishore Thandava S/o of Sri P Bhaskar Rao Resident of 1-2-36, Kotteti Kotaiah Street, Vidyadharapuram Vijayawada-12. He has completed his Management Graduate from Pondicherry University, with rich experience in the field of marketing of Agarbathies and allied products.

He is member of the Committees of the company and holds 8000 equity shares in the Company.

He is neither a director nor member of any other committee or company



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the 17th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2012

FINANCIAL RESULTS: (Rs.in lakhs)

PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
Sales	8542.38	7189.97
Other Income	114.99	179.66
Stocks	26.95	2.21
Expenditure	(8165.22)	(6850.75)
Profit before depreciation and Income tax	519.10	521.09
Depreciation	(267.41)	(278.27)
Net profit before tax	251.69	242.82
Provision for taxation		
a. Current tax	73.29	83.94
b. Deferred tax	(9.92)	18.88
Profit after tax	188.31	139.99
Brought forward from previous year	868.90	728.93
Balance carried to balance sheet	1057.23	868.92

OVERALL PERFORMANCE OF THE COMPANY:

During the financial year under review the overall performance of the Company was satisfactory in spite of the economy slow down, inflation and many factors during the financial year under review the overall turnover of the Company was Rs 8542.38 Lakhs as compare to Rs 7189.97 Lakhs and the Net profit Rs 188.31 Lakhs as compare to Rs 139.99 Lakhs

When it comes to Segment wise performance of the Company the Turnover of the Agarbathies Division was Rs 7201.60 Lakhs as Compare to Rs 6101.99 Lakhs and the Net Profit was Rs

54.42 Lakhs as compared to Rs127.25 Lakhs. The Turnover of hotel division was Rs 1455.77 Lakhs as compared to Rs 1267.30 Lakhs and Net profit was Rs 197.27 Lakhs as compare to Rs 115.58 and in Construction Division many projects are in finishing stages and it has good future in coming years.

DIVIDEND

Your Directors do not recommend any Dividend for the Financial Year 2011-2012 as the profits are planned to be ploughed back into the business operations.

PERSONNEL:

None of the Employees of the Company are drawing remuneration exceeding limits prescribed U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS:

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

DIRECTORS:

During the financial year under review Sri Ambica Sudarsan and Sri Suresh Garlapati Directors of the Company has express their un- willingness to be reappointed at the 17th Annual General meeting.

Sri Ambica Ramachandra Rao and Sri P Kishore thandava Directors of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re- appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- i. In preparation of annual accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departure, if any, there from;
- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2012 and of the profit and loss of the Company for that period;
- iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

The Statutory Auditor, Sri T S Ajai, Chartered Accountant, hold office till the conclusion of ensuing Annual General Meeting. The Company is in receipt of confirmation from the Statutory Auditor that in the event of his re-appointment as Statutory Auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

Reply to Auditors Qualification

1. With regard to the deposit of Amounts to statutory Authorities (Point No. 9 (a) of the Auditors Reports). Your Board would like to bring to your kind notice that the Company is under the process of depositing the same.
2. With regard to transferring of unpaid dividend to Investor Education Fund, Your board would like bring to your kind notice

that the company is under the process of reconciliation of names of share holders and transfer the same.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,

FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the information is given as hereunder:

- A. **Conservation of Energy** – The present operation of the Company do not involve high energy consumption. However steps being taken to minimize energy consumption where ever possible
- B. **Research & Development** – The Research and Development division of Agarbathies department continues to focus on introducing of new brands.
- C. **Technology Absorption** - Not Applicable
- D. **Foreign Exchange Earnings & Outgo:**

(In Rs. Lakhs)

	2011-12	2010-11
Foreign Exchange earnings	15.21	Nil
Foreign Exchange outgo	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS:

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

CORPORATE GOVERNANCE:

Report on Corporate Governance including Auditor's Certificate on Compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as **Annexure – II** to this report.



ACKNOWLEDGEMENTS:

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

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

for and on behalf of the Board

Sd/-

AMBICA KRISHNA

Chairman and Managing Director

Place : Hyderabad

Date : 17.08.2012



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Annexure – I

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ECONOMIC OVERVIEW:

AGARBATHIES DIVISION

Religions and rituals have been an integral part of human life in India. We celebrate festivals, go for pilgrimage and worship our deities with the aspiration of receiving their blessings. In all these occasions, incense sticks commonly known as agarbathies serves as a link between god and devotee. It has been used in prayers, to pay homage to the Gods, purify the air, to uplift the spirits of an individual, induce self-awareness and to get rid of any kind of negative vibrations.

Agarbathies industries are one of the growing sectors where maximum exports were achieved in the recent years, thereby contributing to the economic growth. The production of Agarbathies in India is growing at a rate of 5-6% every year. In addition to economic development, agarbathi industry is also contributing to social welfare by making optimum use of waste products in its manufacturing process. Agarbathies industry is one of the labor intensive industries and hence generates lot of employment opportunities especially for weaker sections of the society. Agarbathies industry in India is also exploring itself in global market, thereby contributing to growth of foreign trade.

HOTEL DIVISION

The 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. Hotel industry is also inextricably linked to the tourism industry and its growth has added fillip to the hotel industry. As India is ranked as fourth most preferred travel destination, the inbound tourist flow has been increasing and is expected to increase at a rate of more than 12 percent in the coming years

Such enormous growth in tourist sector has led to the significant increase in profits of hotel industries. Moreover, the government has stepped up various reforms to accelerate the industry growth with liberalization in the regulatory framework, investment friendly schemes, extensive support for creating a world class infrastructure, initiating better air and land connectivity, incentivizing regional set-up in tier III and IV cities, exploring the untapped geographical resources. With the allowance of 100% foreign investment in hotel industry under automatic route, the scenario of the industry looks rosy in the global market and it is expected to grow at 15-20% every year.

CONSTRUCTION DIVISION

The Indian construction industry has shown significant development over the years with eminent and efficient engineers at the helm. The construction sector is a major employment driver, being the second largest employer in the country, next only to agriculture. This is because of the chain of backward and forward linkages that the sector has with other sectors of the economy. The sector is labor intensive and, including indirect jobs, provides employment to more than 35 million people.

The construction industry has been witness to a strong growth wave powered by large spends on housing, road, ports, water supply and airport development. Indian construction industry consists of 200 firms and around 1,20,000 registered contractors. About 250 ancillary industries such as cement, steel, brick, timber and building material are dependent on the construction industry. A unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as five times. In India the construction industry contributes around 8% to GDP. The Government has now permitted 100 percent FDI in the construction development sector. The foreign involvement will not displace local investors but will help the sector grow and explore India on International front.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

OVERVIEW OF OPERATIONS

AGARBATHIES DIVISION

The company has witnessed a significant increase in sales in the financial year under review when compared to the last year. The profits of the company have increased nominal due to increase in finance cost and other expenses. The company has expertise professionals working as a team towards the growth of the organization. The company is consistently involved in innovating its products through upgrading the technology, customizing production process and creatively designing its products. With its rich experience and wide network of dynamic dealers, it is able to compete with others and meet the market standards. The Company has well knit distributor/ dealer network comprising of around 300 distributors/dealers, spread over the India developed over a period of years for marketing its products.

HOTEL DIVISION

In spite of recession effecting India badly, the company has done extremely well and shown appreciable increase in profits. Its unique ambience, unbeatable standards and excellent customer service has helped the company to create a special place in the market.

Ambica Empire has won the **JURY SPECIAL AWARD - PREMIUM BUSINESS HOTEL OF THE YEAR 2010-11, & EPICURUS - SOUTH HOSPITALITY AWARD FOR THE YEAR 2012.** With the growth in tourism, it is expected that hotel industry will grow at a fast rate in coming years.

CONSTRUCTION DIVISION

With the growing infrastructure sector, the construction division of our company is also witnessing significant growth. We are currently focusing on the ongoing projects in hand.

FUTURE OUTLOOK

AGARBATHIES DIVISION

The funds invested last year in research and development has given positive returns and thus company is planning to introduce more variety of products. Company's approach is very creative to develop and market its products, thereby generating huge sales which will continue in future. There is lot of scope in agarbathies industries as foreign countries are also attracted to it and hence the industry is expected to grow globally.

HOTEL DIVISION

The constant transformation has made the Indian hotel industry more functional and practical and has gained a level of acceptance world over. With the continued growth in India's GDP, improvement in the per capita income, and increased aspirational spending, the Indian hotel industry is expected to grow faster than most countries around the world.

For foreigners, the travel time has increased to three-five days for business travel and from five days to seven-10 days for leisure travel. The government of India has announced a scheme of granting tourist visa on arrival (T-VoA) for the citizens of Finland, Japan, Luxembourg, New Zealand and Singapore.

Around 29-35 mega tourism projects are being initiated across 22 states. The government is focusing on the PPP (Public private partnership) According to World Travel & Tourism Council, by 2020, travel and tourism investment is estimated to should reach US\$ 109.3 billion or 7.7 per cent of total investment. Hence, the company desires to expand and grow its business in other states as well in future.

CONSTRUCTION DIVISION

The construction industry is growing at a faster rate, thereby generating huge employment opportunities. The government has initiated innumerable initiatives to uplift the sector. The measures includes authorizing the Infrastructure finance companies to raise funds and to finance



the projects, liberalization of external commercial borrowings (ECB'S), increase in foreign institutional investor's limits and revision in the cap of various loans. Robust economic growth is driving the demand for commercial property. Such demand being accompanied by urbanization and growing household income is further increasing the scope of construction industries.

The construction industry generates employment opportunities at a large scale even in the period of economic slowdown. Commercial demand space from metro cities is expected to grow at CAGR (compound annual growth rate) of 7 % which in turn will lead to high growth rate in construction industry. Hence, the construction industry is expected to be prosperous in future.



REPORT ON CORPORATE GOVERNANCE

Annexure – II

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

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

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

2. BOARD OF DIRECTORS:

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

Name of the Director	Category	No.of other Directorships	No of Meetings held	No of Meetings Attended	Whether attended last AGM
Sri Ambica Krishna	Chairman & Managing Director	3	7	7	YES
Sri Ambica Ramachandra Rao	Executive Director	3	7	7	YES
Sri P V Sreedharan	Non Executive & Independent Director	Nil	7	7	YES
Sri P Kishore Thandava	Non Executive & Independent Director	Nil	7	7	YES
Sri Ambica Sudarsan*	Executive Director	6	7	4	Yes
Sri Suresh Garlapati*	Non-Executive & Independent Director	Nil	7	4	Yes

* During the 16th Annual General Meeting the directors expressed their unwillingness to be reappointed

During the financial year 2011-2012, 7 (Seven) Board Meetings were held on the following dates:

30/04/2011	30/05/2011	15/07/2011	13/08/2011
14/11/2011	29/12/2011	14/02/2012	

3. AUDIT COMMITTEE:

Audit Committee of your company consists of following three Directors:

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

The committee met 4 times during the financial year 2011-12 on 30.05.2011, 13.08.2011, 14.11.2011 and 14.02.2012 attendance of each Member of Committee is as follows.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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	2
4	Suresh Garlapati (upto 29.09.2011)	Member	4	2

BROAD TERMS OF REFERENCE:

The broad terms of reference are:

- Reviewing with the management the internal control systems, observations of the auditors, half-yearly and annual financial statements before submission to the Board.
- Recommendation of matters relating to financial management and audit reports.
- The Committee is authorized to investigate into matters referred /delegated to it by the Board of Directors and for this purpose, has full access to information / records of the Company including seeking external professional support, if necessary.
- Reviewing and discussing with the Statutory Auditor and the internal Auditor about the internal control systems
- Reviewing the Compliance of the Listing Agreement and Various other legal requirement concerning financial statements and related party transactions
- Reviewing the operations, new initiatives and performance of the business divisions
- Reviewing major accounting polices and practices and adoption of applicable Accounting Standards

4. REMUNERATION COMMITTEE

✧ Brief description of terms of reference

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

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

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



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

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

The Remuneration Committee constitutes of following directors:

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

The committee met 4 times during the financial year 2011-12 on 30.05.2011, 13.08.2011, 14.11.2011 and 14.02.2012 attendance of each Member of Committee is as follows.

Sl. No.	Name of the Member	Designation	No. of Meetings held during the year	No. of meetings attended
1	P. V. Sreedharan	Chairman	4	4
3	P Kishore Thandava	Member	4	4
3	Ambica Ramachandra rao	Member	4	2
4	Suresh Garlapati (upto 29.09.2011)	Member	4	2

❖ **Remuneration Policy:**

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent and reward merit. Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

✧ Details of the Directors' Remuneration:

Director	Designation	Remuneration for Financial Year 2011-12 (in Rs.)	
		Salary & Perks	Total
Sri Ambica Krishna	Chairman & Managing Director	9,00,000	9,00,000
Sri Ambica Sudarsan	Executive Director	3,00,000	3,00,000
Sri Ambica Ramachandra Rao	Executive Director	6,00,000	6,00,000

5. SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE:

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

To supervise and ensure:

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

Composition of Shareholder and Investor Grievance Committee is as follows :

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

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

(a) Name and designation of Compliance Officer

Mr. Ambica Krishna
Chairman & Managing director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(b) Details of Investor complaints received and readressed during the year:

Nature of Complaints	Year 2011 - 12		
	Received	Resolved	Pending
Total Complaints	8	8	NIL

6. General Body Meetings:

◆ Location, day, date and time where the last three AGMs held and special resolution passed thereat as follows:

Year	Day, Date & Time	Location	Special Resolution
2010-11	Thursday, 29 th September, 2011 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2009-10	Thursday, 30 th September, 2010 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--
2008-09	Wednesday, 30 th September, 2009 at 11.00A.M.	Shankar Towers Powerpet, ELURU	--

POSTAL BALLOT

No resolution was passed through postal ballot during the year ended 31st March, 2012.

No Special Resolution is proposed to be conducted through Postal ballot at the ensuing Annual General Meeting

7. Disclosures:

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

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

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

8. Means of Communication:

• Quarterly results:

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

As required by Clause 49 of the Listing Agreement, Management Discussion and Analysis report is a part of the Annual Report.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

9. General Shareholder Information:

◆ **AGM:** The 17th Annual General Meeting of the Company will be held on SATURDAY, 29th September, 2012 at Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh.

◆ **Financial Calendar:**

First Quarter Results	Second week of August, 2012
Second Quarter Results	Second week of November, 2012
Third Quarter Results	Second week of February, 2013
Fourth Quarter Results	Second week of May, 2013

◆ **Book Closure Date** : TUESDAY 25TH SEPTEMBER, 2012 TO SATURDAY 29TH SEPTEMBER, 2012
(both days Inclusive)

◆ **Dividend Date:** NA

◆ **Listing on Stock Exchanges** : The shares of the company are listed on

1. Bombay Stock Exchange Limited
2. National Stock Exchange of India Limited
3. The Madras Stock Exchange Limited*

*Delisting Application pending with the Stock Exchange.

◆ **Scrip Code**

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

◆ **Market Price Data:** During the last Financial Year 2011-12.

High and Low of the each month of the Company's Equity Shares during the last Financial Year 2011-12 at Bombay Stock Exchange Limited and the National Stock Exchange of India Limited are given below:



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Bombay Stock Exchange Limited		
Month	High	Low
April, 2011	10.90	8.01
May, 2011	10.90	8.52
June, 2011	11.01	8.32
July, 2011	10.50	8.85
August, 2011	10.99	8.00
September, 2011	9.90	7.29
October, 2011	8.96	6.60
November, 2011	8.54	6.00
December, 2011	7.35	5.45
January, 2012	7.19	5.31
February, 2012	8.25	6.30
March, 2012	7.50	5.50

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

Share Transfer System:

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

Registrar and Transfer Agents

: **M/s. Venture Capital and Corporate Investments Private Limited.**
12-10-167, Bharat Nagar
Hyderabad-500018
Phone No : 040 23818475
Fax : 040 23868024
E.mail: info@vccipl.com



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Shareholding pattern as on 31st March 2012:

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	824779	48.02
	Sub Total of A1	8247779	48.02
A2.	FOREIGN Individuals (Non-Residents) Individuals (Foreign Individuals) Bodies Corporate Institutions Any Other (Specify)		
	Sub Total of A2	Nil	Nil
	TOTAL OF A1 +A2	8247779	48.02
B1.	Public Shareholdings Institutions Mutual Funds and UTI Banks/Financial Institutions Central Government/State Government Venture Capital Funds Insurance Companies Foreign Institution Investor Foreign Venture Capital Investors Any Other (Specify)	0	0
	Sub Total B1	0	0
B2.	Non Institutions Bodies Corporate Individuals Individuals share holders holdings nominal share capital upto Rs. 1 Lakhs Individual Shareholding holding nominal share capital in excess of Rs. 1 Lakhs Any Other (Specify) NRIs/OCBs Foreign Collaborators Clearing Members	2743201 3015269 3075140 55936 40075	15.97 17.55 17.90 0.33 0.23
	Sub Total B2	8929621	51.98
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	8929621	51.98
C	Shares held by Custodian and against which Depository Receipts have been issued	Nil	Nil
	TOTAL A+B+C	17177400	100.00



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2012

Sl. No.	Category From - To Rs Rs	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1	Upto - 5000	3980	73.32	8162350	4.75
2	5001 - 10000	740	13.63	6506640	3.79
3	10001 - 20000	326	6.01	5278510	3.07
4	20001 - 30000	110	2.03	2853220	1.66
5	30001 - 40000	45	0.83	1663490	0.97
6	40001 - 50000	45	0.83	2131870	1.24
7	50001 - 100000	80	1.47	5814420	3.38
8	100001 and above	98	1.88	139363500	81.14
	Total	5424	100	171774000	100

◆ Dematerialization of shares and liquidity:

The Shares of the Company are under compulsory demat trading. The Company has already entered into necessary agreements with NSDL and CDSL for demat facility.

77.40% of total equity share capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2012.

CEO & CFO Certifications

The CEO & CFO of the Company gave annual certificates on financial reporting and internal controls to the Board in terms of Clause 49. Report annexed

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

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

◆ Address for correspondence

Both physical and demat:

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Sri Ambica Krishna

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

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 2011-12.

Sd/-

Ambica Krishna
Chairman & Managing Director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

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

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2012
2. To the best of my knowledge and belief:
 - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - b) The financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of my knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5.
 - a) There has not been any significant change in internal control over financial reporting during the year under reference;
 - b) There has not been any significant changes in accounting policies during the year under reference; and
 - c) I am not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date: 17.08.2012

Sd/-
Ambica Krishna
Chairman & Managing Director



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,
The Members
Ambica Agarbathies Aroma & Industries Limited
ELURU

We have examined the compliance of conditions of Corporate Governance by Ambica Agarbathies Aroma & Industries Limited for the financial year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

We state that in respect of investor grievances received during the year ended 31st March, 2012 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 17.08.2012

Sd/-
T S AJAI
Chartered Accountant



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

1. We have audited the attached Balance Sheet of AMBICA AGARBATHIES AROMA AND INDUSTRIES LIMITED, (the "Company") as at 31st March 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company, as we considered appropriate and the information and explanations given to us, we enclose in the Annexure, a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Sd/-

(T.S. AJAI)

Chartered Accountant
Membership No.025524

Place: Hyderabad

Date :17.08.2012



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Annexure to the Auditors' Report

(Refer to in paragraph 3 of our report of even date to the Members of Ambica Agarbathies Aroma and Industries Limited for the year ended 31st March 2012)

i. In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.
- b. The fixed assets of the company have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c. In our opinion, and according to the information and explanations given to us, substantial part of fixed assets of the Company has not been disposed off during the year.

ii. In respect of its inventory:

- a. As explain to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of the inventory followed by the Management were reasonable and adequate in relation to the size of the company and nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.

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

- a. The company has granted unsecured loan to two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 11,68,21,269/- and the year-end balance of the loans granted is Rs.11,68,21,269/-.
- b. In our opinion, the rate of interest and other terms and conditions of such loans given by the company are not, prima facie, prejudicial to the interest of the company.
- c. In our opinion, the party has repaid the principal amounts and interest regularly to the company.
- d. There is no overdue amount in excess of Rs.1,00,000/- in respect of loans granted by the company, to the parties listed in the register maintained under Section 301 of the Companies Act, 1956.

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

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- iv. In our opinion and according to the information and explanations given to us, the company has an internal control procedures, which in our view requires improvement, commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. Further on the basis of examination of the books and records of the company, we have not come across any instances of continuing failure to correct major weaknesses in the internal control system.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding a value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of the paragraph 4 of the order are not applicable to the Company.
- vii. In our opinion, the internal audit system of the company needs to be strengthened commensurate with the size and nature of its business.
- viii. According to the information given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of the business of the company.
- ix. In respect of statutory dues:**
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty and Investor Education and Protection Fund.
- (b) According to the information and explanations given to us, except in case of income tax there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales tax, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable. As explained to us, the provisions of Excise duty were not applicable to the Company.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

SI	Particulars	Period to which amount relates	Amount No
1	Works contracts (TDS) – Construction division	2007-08	13,20,000
2	Works contracts (TDS) – Construction division	2008-09	8,85,388
3	Works contracts (TDS) – Hotel division	2011-12	3,92,312
4	Income Tax	2010-11	59,94,834

As per the information furnished to us the amounts of Rs.6,23,674 Lakhs lying with the company in unpaid dividend account which have remained unclaimed or unpaid for a period of 7 years or more have not been transferred to the account of the Central Government as required by Sec 205A (5) of the Companies Act, 1956.

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

Name of the Statute	Nature of the dues	Demand (Rs.)	Year to which the amount related	Forum where dispute is pending
Income Tax Act, 1961	Asst. made r.w.s. 143(3) u/s. 147	87,75,480/-	AY 2003-04	CIT(A), Chennai, Tamil Nadu.

- x. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
- xii. In our opinion, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not in the business of chit funds or nidhi / mutual benefit fund / society. Accordingly, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- (a) **The corporate guarantee given to Indian Overseas Bank on behalf of Ambica Infraventures Pvt. Ltd., which was a subsidiary of the company at the time when the Corporate Guarantee was issued by the company and according to the information and explanation furnished to us, the process of substitution of the said Corporate Guarantee by the new management of Ambica Infraventures Pvt. Ltd., is in progress.**
- xvi. In our opinion and according to the information and explanations given to us the company has availed term loans from banks and financial institutions which have been applied for the purposes for which they were sanctioned except in case of the Term Loans of Rs.11.91 crores availed from Corporation Bank for the purpose of renovation of the Hotel Division and for setting up a new hotel at Vizag , which have been used for the purpose of construction, Renovation, and advance for Capital Project of Hotel Division.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short term basis have not been used for long term investments and vice versa.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us the Company did not have any outstanding debentures during the year.
- xx. According to the information and explanations given to us, the Company has not raised any money by issue of shares to public during the year.
- xxi. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year nor have we been informed of any such case by the management.

Sd/-

(T.S. AJAI)

Chartered Accountant
Membership No.025524

Place : Hyderabad

Date : 17.08.2012



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH , 2012

Particulars	Note No	As at 31.3.2012 Rupees	As at 31.3.2011 Rupees
I EQUITY AND LIABILITIES			
1 Share holders fund			
Shareholders' funds			
(a) Share capital	2	171,294,623	171,294,623
(b) Reserves and surplus	3	148,189,171	131,277,886
(c) Money received against share warrants		-	-
		319,483,794	302,572,509
Share application money pending allotment	4	199,685	199,685
Non-Current Liabilities			
(a) Long-term borrowings	5	361,087,857	259,623,996
(b) Deferred tax liabilities (Net)	6	42,740,625	43,732,254
(c) Other long-term liabilities	7	37,888,183	30,728,118
(d) Long-term provisions	8	50,861,258	43,516,858
		492,577,923	377,601,226
Current Liabilities			
(a) Short-term borrowings	9	201,537,487	200,903,159
(b) Trade payables	10	28,665,594	23,409,071
(c) Other current liabilities	11	13,911,248	21,403,000
(c) Short-term provisions	12	5,580,489	3,885,761
		249,694,818	249,600,992
TOTAL		1,061,956,220	929,974,412
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13.1	306,617,325	295,405,795
(ii) Intangible assets	13.2	216,526	318,926
(iii) Capital work-in-progress	13.3	145,284,759	110,045,800
		452,118,610	405,770,521
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	14	297,407,681	185,432,720
(e) Other non-current assets	15	-	-
		749,526,291	591,203,240
Current assets			
(a) Current investments			
(b) Inventories	16	151,461,538	164,170,899
(c) Trade receivables	17	58,062,963	50,052,810
(d) Cash and cash equivalents	18	5,036,608	45,843,232
(e) Short-term loans and advances	19	53,016,798	42,465,760
(f) Other current assets	20	44,852,022	36,238,471
		312,429,929	338,771,171
TOTAL		1,061,956,220	929,974,411

III. NOTES FORMING PART OF THE FINANCIAL STATEMENT

As per our Report of even date

Sd/-

T.S. Ajai

Chartered Accountant

M.No. : 25524

for and on behalf of the Board

Sd/-

AMBICA KRISHNA

Chairman & Managing Director

Sd/-

AMBICA RAMACHANDRA RAO

Director

Place: Hyderabad

Date : 17-08-2012



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	Sch. No	For the Year Ended 31.3.2012 Rupees	For the year Ended 31.3.2011 Rupees
I. Revenue from operations	21	854,238,291	728,546,521
II. Other income	22	11,498,755	8,382,251
III. TOTAL REVENUE (I+II)		865,737,046	736,928,772
IV. Expenses:			
(a) Cost of materials consumed	23	156,439,207	117,298,247
(b) Purchases of stock-in-trade	24	319,759,133	267,675,443
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade "	25	(2,694,781)	(221,094)
(d) Employee benefits expense	26	13,226,317	10,874,688
(e) Finance costs	27	64,339,042	60,084,181
(f) Depreciation and amortisation expense	13	26,741,160	27,827,339
(g) Other expenses	28	262,757,910	229,107,205
TOTAL EXPENSES		840,567,989	712,646,009
V. PROFIT BEFORE TAX (III-IV)		25,169,056	24,282,763
VI. Tax expense:			
(i) Current tax	29	7,329,400	8,394,834
(ii) Deferred tax		(991,629)	1,888,220
		6,337,771	10,283,054
VII. PROFIT (LOSS) FOR THE PERIOD (V-VI)		18,831,285	13,999,709
VIII. Earnings per equity share : Basic and diluted 30		1.10	0.85
IX. NOTES FOR MINGPARTOF THE FINANCIALSTATEMENT	21-30		

As per our Report of even date

for and on behalf of the Board

Sd/-

T.S. Ajai

Chartered Accountant
M.No. : 25524

Sd/-

AMBICA KRISHNA

Chairman & Managing Director

Sd/-

AMBICA RAMACHANDRA RAO

Director

Place: Hyderabad

Date : 17-08-2012



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2010-2012

Particulars	As at 31.03.2012 (Rs.In Lacs)	As at 31.03.2011 (Rs.In Lacs)
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	25,169,060	24,282,763
Adjustment for :		
Interest Expenditure	63,320,379	60,084,181
Interest Income	(5,392,500)	(1,650,553)
Depreciation	26,741,160	27,827,339
Chit Loss	80,000	-
Profit on sale of shares	-	(25,500)
Loss on sale of fixed assets	38,676	319,524
	84,787,715	86,554,991
Operating profit before working capital changes	109,956,776	110,837,754
Changes in working capital		
Adjustments for :		
Decrease / (Increase) in Inventories	12,709,361	(30,635,647)
Decrease / (Increase) in Trade receivables	(6,930,153)	9,086,995
Decrease / (Increase) in Long term loans and advances	(101,885,939)	(29,908,042)
Decrease / (Increase) in Short term loans and advances	(10,551,038)	8,605,651
Decrease / (Increase) in Other current Assets	(8,613,553)	(24,768,764)
Decrease / (Increase) in Short term Borrowings	634,327	(18,720,904)
Decrease / (Increase) in Other current liabilities	(9,415,475)	(2,290,313)
Increase / (Decrease) in Long term provisions	7,344,400	8,401,927
Increase / (Decrease) in Short term provisions	1,694,728	2,995,922
Increase / (Decrease) in Trade payables	4,100,243	1,695,559
	(110,913,099)	(75,537,617)
Cash generated from operations	(956,323)	35,300,137
Taxes paid (Net of refund)	(10,089,023)	(5,834,641)
Net Cash generated from Operating Activities	(11,045,346)	29,465,496
II. CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	5,392,500	1,650,553
Purchase of Tangible / Intangible assets	(39,132,700)	(33,135,227)
Capital WIP	(35,238,960)	(64,422)
Sale of Shares	-	280,500
Sale of Fixed Assets	1,243,736	674,069
Inter Divisions	-	-
Net cash used in Investing activities	(67,735,424)	(30,594,527)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

III. CASH FLOW FROM FINANCING ACTIVITIES

Increase / (Decrease) in Long term borrowings	101,294,525	100,945,745
Interest paid	(63,320,379)	(60,084,181)
Net cash provided by / (used in) financing activities	37,974,146	40,861,564
Net Increase / (Decrease) in cash and cash equivalents (I+II+III)	(40,806,624)	39,732,533
Opening balance of cash and cash equivalents	45,843,232	6,110,698
Closing balance of cash and cash equivalents	5,035,508	45,843,232
Increase / (Decrease) in cash or cash equivalents	40,806,624	39,732,533
Cash and cash equivalents comprise of:		
Cash on hand	2,255,576	6,729,954
Cheque on hand	-	-
Balances with banks	2,781,033	39,113,277
Total	5,036,609	45,843,232

IV. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-32

As per our Report of even date

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

Sd/-
AMBICA KRISHNA
Director

for and on behalf of the Board

Sd/-
AMBICA RAMACHANDR RAO
Director

Place : Hyderabad
Date : 17-08-2012



Notes forming part of the Financial Statements

Note No. : 1 Significant accounting policies

1.1 Basis of preparation of financial statements

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

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

1.2 Use of estimates

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

1.3 Current-non-current classification

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

Assets

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

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

All other assets are classified as non-current.



Liabilities

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

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

All other liabilities are classified as non-current.

Operating cycle

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

1.4 Fixed Assets:

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

1.5 Depreciation:

The Company adopts a policy to provide depreciation on Straight Line Method as per Schedule XIV of the Companies Act, 1956. In respect of additions / deletions during the year, depreciation was provided on prorata basis with reference to the date of addition / disposal.

1.6 Intangible Assets:

Intangible Assets are recognized if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. Trade Marks of the Company is amortized over a period of 10 years under Straight Line Method (SLM).

1.7 Inventories:

Inventories are stated at lower of Cost or Net Realizable Value. Cost is computed based on weighted average cost method. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their present condition and location.



1.8 Revenue Recognition:

Revenue on sale of goods is recognized on transfer of risk and reward of ownership to the buyer.

Interest Income is recognized on accrual basis.

Contract Revenue is recognized on "Percentage of Completion" basis measured by the proportion that the cost incurred up to the reporting date bear to the estimated total cost of the contract.

1.9 Turnover:

"Turnover includes Sale of goods, Services, Sales Tax (VAT), Service Tax and Luxury Tax."

1.10 Foreign Exchange Transactions:

Foreign exchange transactions are accounted based on the exchange rate prevailing as on the date of the transaction. Balances outstanding at the year-end are reported at the exchange rate prevailing as on the date of the Balance Sheet. The resulting profit/loss due to foreign exchange fluctuation is transferred to Profit & Loss Account, if it is of revenue in nature and to respective fixed assets if it is of Capital in nature.

1.11 Investments :

Investments, being long term in nature, are valued at cost of acquisition. Adjustment for increase/decrease in the value of investments, if any, will be accounted for on realisation of the investments. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

1.12 Employee Benefits:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of past employment and other long term benefits are charged to the profit and loss account.

1.13 Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.



1.14 Income taxes

Income tax expense comprise of current tax and deferred tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain to be realised. The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

1.15 Impairment of Assets:

At each balance sheet date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets' net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of asset and from its disposal are discounted to their present value using a pre- tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment losses recognized in prior years, if any, is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior year.



1.16 Provisions and Contingencies:

A provision is recognized when the company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation. In respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized and, if any, are adequately disclosed in the notes to accounts.

1.17 Earnings per Share:

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding for the period.

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

Note No. : 2 SHARE CAPITAL

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2012		As at 31st March, 2011	
		No. of Shares	Amount	No. of Shares	Amount
I.	Authorised "2,10,00,000 Equity Shares, face value of Rs.10/- each "	21,000,000	210,000,000	18,000,000	180,000,000
II.	Issued,Subscribed "1,71,77,400 Equity Shares, face value of Rs.10/- each "	17,177,400	17,177,400	17,177,400	171,774,000
III.	Paid-up Capital Less : Calls in Arrears By Directors By Others		- 4,79,377		- 479377
	Paid up Capital	1,71,77,400	17,12,94,623	17,177,400	171,294,623



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2012		As at 31st March, 2011	
		No. of Shares	Amount	No. of Shares	Amount
I	Equity Shares				
	At the beginning of the period	17,177,400	171,774,000	16,377,400	163,774,000
	Add: Issued during the period	-	-	800,000	8,000,000
	"Less: Brought bank during the year"	-	-	-	-
	Outstanding at the end of the period	17,177,400	171,774,000	17,177,400	171,774,000

b) Rights, Preferences and restrictions attached to shares

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

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

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

(Amount in ₹)

S. No.	Particulars	As at 31st March, 2012		As at 31st March, 2011	
		No. of Shares	% of share Holding	No. of Shares	% of share Holding
	Equity Shares				
	Trinethra Infra Ventures Limited	1,900,000	11.06%	1,900,000	11.06%
	Agnvsa Ramchandra Rao	1,464,950	8.53%	1,464,950	8.53%
	P V V P Krishna Rao	1,391,701	8.10%	1,391,701	8.10%
	Alapati Ramanjaneyulu	1,238,700	7.21%	1,238,700	7.21%
	Rajeshwar Rao Alapati	1,211,213	7.05%	1,211,213	7.05%
	Puvvada Bhaskar Rao	900,000	5.24%	900,000	5.24%

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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 3 RESERVE AND SURPLUS

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
(a)	Capital Reserves		
	Opening Balance	1,915,503	1,915,503
	Add: Additions during the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	1,915,503	1,915,503
(b)	Share Premium Account		
	Opening Balance	24,800,035	24,800,035
	Add: Additions during the year	-	-
	Less: Utilised during the year		
	Closing balance	24,800,035	24,800,035
(c)	General Reserve		
	Opening Balance	17,772,017	17,772,017
	Add: Additions during the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	17,772,017	17,772,017
(d)	Surplus from Statement of Profit and Loss		
	Balance brought forward from previous year	86,892,860	72,674,192
	Add: Profit for the year	18,831,285	14,218,669
	Less: Utilised during the year		
	Closing balance	105,724,145	86,892,861
(e)	(i) Agarbathi Division		
	Misc Expenses Not Written off	1,920,000	-
	Balance brought forward from previous year	-	-
	Add: Profit for the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	1,920,000	-
	(ii) Hotel Division		
	Misc Expenses Not Written off	102,529	102,529
	Balance brought forward from previous year	-	-
	Add: Profit for the year	-	-
	Less: Utilised/transferred during the year		
	Closing balance	102,529	102,529
	Total of Misc Expenses Not Written off (i+ii)	2,022,529	102,529
	Total Reserves and Surplus (a+b+c+d-e)	148,189,171	131,277,886

Note No. : 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	Share Application Money	199,685	199,685
		199,685	199,685



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 5 LONG -TERM BORROWINGS

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
(a)	Term Loans Secured Agarbathi Division		
	- from banks	154,135,868	166,141,781
	- from other parties	-	-
		154,135,868	166,141,781
	Term Loans Secured Hotel Division		
	- from banks	174,547,110	62,041,743
	- from other parties	-	-
		174,547,110	62,041,743
	Total	328,682,978	228,183,524
	Note: Refer note c and d for repayment terms and details of securities pledged.		
(b)	Other Loans and Advances		
	(i) Agarbathi division		
	Others (unsecured)		
	Trade Deposits From Distributors of Durbar Bathies	9,142,420	9,367,150
	Trade Deposits From Distributors of Scented	23,262,459	22,073,322
	(ii) Hotel Division		
	Trade Payable	-	-
	Others	-	-
	Total (i+ii)	32,404,879	31,440,472
	Grand Total (a+b)	361,087,857	259,623,996



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
	Agarbathi Division		
1	Corp Bank Machinery TI -1	3,737,020	" Repayable by February 2013, In Monthly Installments "
2	Corp Bank New Machinery TI -2	6,986,306	" Repayable by May 2013, In Monthly Installments "
3	Corp Bank Wind Mill TI-3	4,732,310	" Repayable by April 2013, In Monthly Installments "
4	Corp Bank Agarbathi Machinery TI -6	28,178,900	" Repayable by July 2017, In Monthly Installments "
5	IOB Rental Discounting Term Loan	100,961,934	" Repayable by February 2021, In Monthly Installments "
6	Vehicle Loans	9,539,398	" Repayable in Monthly Installments "

Sl. No.	Name of Lender	Amount Rs.	Terms of Repayment
	Hotel Division		
1	Corp Bank Hotel Renovation TI -5	12,901,996	" Repayable by February 2013, In Monthly Installments "
2	Corp Bank New Hotel Renovation TI -7	49,243,608	" Repayable by September 2017, In Monthly Installments "
3	Corp Bank Hotel TI -4	10,696,578	" Repayable by January 2013, In Monthly Installments "
4	Corp Bank New Hotel Construction, Vizag TI -8	77,917,643	" Repayable by October 2019, In Monthly Installments "
5	IDBI Cc Loan A/C 0005671200013615	8,500,000	" Repayable by March 2014, In Monthly Installments "
6	IDBI Cc Loan 005671200012999	9,600,000	" Repayable by March 2014, In Monthly Installments "
7	L&T Term Loan	990,398	" Repayable by October 2013, In Monthly Installments "
8	L&T Term Loan	311,304	" Repayable by October 2013, In Monthly Installments "
9	L&T Term Loan	2,602,914	" Repayable by August 2013, In Monthly Installments "
10	Vehicle Loans	845,662	" Repayable in Monthly Installments "



(d) Details of Securities Pledged

Sl. No.	Agarbathi Division
1	First charge on equitable mortgage of commercial Land and building.
2	Hypothecation by way First Charge on all movable assets of the company.
3	Hypothecation by way First Charge on all movable assets of the company and Assignment of receivables under PPA from TNEB for Purchase of Power.
4	Hypothecation/First Charge on assets financed by the bank.
5	Hypothecation by way of exclusive First charge on machinery acquired out of bank finance and all movable assets of the company
6	First Charge on Future Rent Receivables of the company.
7	Hypothecation/First Charge on assets financed by the bank and Financial Institutions.
Hotel Division	
1	Hypothecation by way of Exclusive First Charge on all the movable assets of the company
2	Hypothecation by way of exclusive First charge on all the assets acquired out of bank finance and on all movable assets of the company
3	" First Charge on all movable assets of the company, EMG leasehold rights on plot no,1 survey no 1981,Waltair word to the extent of 1547.32 yards along with building proposed to be constructed on it. "
4	First charge on all credit card receivables of Hotel Division
5	First charge on all credit card receivables of Hotel Division
6	Hypothecation respective asset and personal guarantee of CMD
7	Hypothecation respective asset and personal guarantee of CMD
8	Hypothecation respective asset and personal guarantee of CMD
9	Hypothecation/First Charge on assets financed by the bank and Financial Institutions.
#	Inaddition to the above securities three directors of the company have given their personal guarantees.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(Amount in ₹)

Note No. : 6 DEFERRED TAX LIABILITIES (NET)

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	Deferred Tax Liability	42,740,625	43,732,254
	Total	42,740,625	43,732,254

Note No. : 7 OTHER LONG TERM LIABILITIES

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	Unsecured Others		
	Agarbathi Division		
	Advances given to suppliers	9,200,000	9,200,000
		9,200,000	9,200,000
	Construction Division		
	-APSRRTC - Vijayawada	17,861,067	12,798,551
	-APSRRTC - Vizag	4,778,239	2,680,691
	-Other Advances	6,048,877	6,048,877
	Total	28,688,183	21,528,118
	Grand Total	37,888,183	30,728,118

Note No. : 8 LONG TERM PROVISIONS

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	Agarbathi Division		
	Provision for Employee Benefits	257,437	242,437
	Provision for Others		
	- Provision for Income Tax	50,603,821	43,274,421
	Total	50,861,258	43,516,858



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note No. : 9 SHORT TERM BORROWINGS

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	Agarbathi division from Banks Secured Loans Repayable on Demand from Banks -Corporation bank CC Loan	201,537,487	200,903,159
	Total	201,537,487	200,903,159

Working Capital Loan of Rs.2015.37 Lakhs (2003.99 Lakhs) from Corporation Bank, Eluru, is against the hypothecation of raw materials, stocks-in-process, finished goods, consumables, stores, spares etc., and book debts of the Company, equitable mortgage on fixed assets of Hotel Division and collateral security of personal properties and personal guarantee of directors i.e., Ambica Krishna, Ambica Sudrsan, Ambica Ramachandra Rao and their relatives.

Note No. : 10 TRADE PAYABLES

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	(a) Agarbathi division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	23,205,428	15,481,580
	(b) Hotel Division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	5,460,166	7,927,491
	(c) Construction Division		
	Total O/s dues of Micro & Small Enterprises	-	-
	Sundry Creditors	-	-
	Total	28,665,594	23,409,071



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Note No. : 11 OTHER CURRENT LIABILITIES

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	(a) Agarbathi division		
	(i) Current Maturities of Long Term Debt Vehicle Loans (Secured)	575,150	100,308
	(ii) Unpaid Dividend	623,674	623,674
	(iii) Other Payables	-	-
	-TDS Payable	791,927	438,008
	-VAT/CST/Entry Tax Payable	665,812	366,211
	- Deposits received from customers	2,500,000	-
	- Amount payable to Margadharshi Chit Fund	4,500,000	-
	Total	9,656,563	1,528,200
	(b) Hotel Division		
	Other Payables		
	-TDS Payable	52,849	28,345
	-VAT/CST/Entry Tax Payable	657,294	225,422
	- Import Liquor Tax Payable	13,489	37,938
	- Luxury Tax Payable	331,885	216,525
	-Sales Tax Payable	1,051	-
	- Service Tax Payable	41,469	8,598
	-Other current Liabilities	932,774	634,408
	Total	2,030,812	1,151,237
	(c) Construction Division		
	Other Payables		
	-TDS Payable	2,205,388	2,205,388
	-Other current Liabilities	18,485	16,518,175
	Total	2,223,873	18,723,563
	Grand Total (a+b+c)	13,911,248	21,403,000

Note No. : 12 Short term Provisions

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	Agarbathi Division		
	Provision for Employee Benefits	247,446	194,300
	Provision for Others	247,446	194,300
	Hotel Division		
	Provision for Employee Benefits	5,333,043	3,691,461
		5,333,043	3,691,461
	Total	5,580,489	3,885,761



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

13.1 : TANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
		As at 01.04.2011	Additions/ Internal Transfers	Deductions during the year	As at 31.03.2012	As at 01.04.2011	For the Year	Deletions/ Internal Transfers	As at 31.03.2012	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
1	Land												
	Agarbathi Division	1,568,931	-	-	1,568,931	-	-	-	-	-	1,568,931	1,568,931	
	Hotel Division	4,214,968	-	-	4,214,968	-	-	-	-	-	4,214,968	4,214,968	
	Empire -Chennai	4,214,968	-	-	4,214,968	-	-	-	-	-	4,214,968	4,214,968	
	SUB TOTAL	5,783,899	-	-	5,783,899	-	-	-	-	-	5,783,899	5,783,899	
2	Buildings												
	Agarbathi Division	19,481,318	-	-	19,481,318	5,313,653	544,522	-	5,858,175	13,623,143	14,167,666	14,167,666	
	Hotel Division	78,656,371	26,755,596	-	105,411,967	13,854,874	1,304,663	-	15,159,537	90,252,430	64,801,497	64,801,497	
	Empire -Chennai	77,615,575	26,755,596	-	104,371,171	13,587,600	1,269,900	-	14,857,500	89,513,671	64,027,975	64,027,975	
	Flavours-Vizag	1,040,796	-	-	1,040,796	267,274	34,763	-	302,037	738,759	773,522	773,522	
	SUB TOTAL	98,137,689	26,755,596	-	124,893,285	19,168,527	1,849,185	-	21,017,712	103,875,573	78,969,163	78,969,163	
3	Plant & Machinery												
	Agarbathi Division	170,582,244	717,640	-	171,299,884	59,998,753	11,710,074	-	71,708,827	99,591,057	110,583,491	110,583,491	
	Hotel Division	50,368,534	2,661,041	100,000	52,929,576	19,985,072	2,447,505	-	22,432,577	30,496,999	30,383,462	30,383,462	
	Empire -Chennai	48,545,648	2,597,891	100,000	51,043,540	19,406,756	2,358,439	-	21,765,195	29,278,345	29,138,894	29,138,894	
	Flavours-Vizag	1,822,886	63,150	-	1,886,036	578,316	89,066	-	667,382	1,218,654	1,244,568	1,244,568	
	SUB TOTAL	220,950,778	3,378,681	100,000	224,229,460	79,983,825	14,157,579	-	94,141,404	130,088,056	140,966,953	140,966,953	
4	Furniture & Fittings												
	Agarbathi Division	11,920,391	632,768	-	12,553,159	4,256,004	635,916	-	4,891,920	7,661,239	7,664,386	7,664,386	
	Hotel Division	100,537,364	3,634,334	5,770	104,165,928	70,680,674	5,769,886	-	76,450,560	27,715,367	29,856,686	29,856,686	
	Empire -Chennai	98,828,863	3,567,460	5,770	102,390,553	69,809,016	5,602,660	-	75,411,676	26,978,877	29,019,845	29,019,845	
	Flavours-Vizag	1,708,501	66,874	-	1,775,375	871,658	167,226	-	1,038,884	736,491	836,841	836,841	
	SUB TOTAL	112,457,754	4,267,102	5,770	116,719,086	74,936,678	6,405,802	-	81,342,480	35,376,606	37,521,072	37,521,072	
5	Vehicles												
	Agarbathi Division	37,878,856	2,686,111	261,676	40,303,291	13,376,563	2,699,174	-	16,075,737	24,227,554	24,502,293	24,502,293	
	Hotel Division	12,210,203	1,437,851	914,966	12,733,088	4,889,351	1,120,446	-	6,009,797	6,723,291	7,320,853	7,320,853	
	Empire -Chennai	12,210,203	1,437,851	914,966	12,733,088	4,889,351	1,120,446	-	6,009,797	6,723,291	7,320,853	7,320,853	
	SUB TOTAL	50,089,059	4,123,962	1,176,642	53,036,379	18,265,914	3,819,620	-	22,085,534	30,950,845	31,823,146	31,823,146	
6	Others												
	Computers												
	Agarbathi Division	3,191,354	272,500	-	3,463,854	3,116,441	267,139	-	3,383,580	80,274	74,913	74,913	
	Hotel Division	4,794,282	334,859	-	5,129,141	4,527,635	139,435	-	4,667,070	462,071	266,646	266,646	
	Empire -Chennai	4,478,650	324,859	-	4,803,509	4,363,529	109,063	-	4,472,592	330,917	115,120	115,120	
	Flavours-Vizag	315,632	10,000	-	325,632	164,106	30,372	-	194,478	131,154	151,526	151,526	
	SUB TOTAL	7,985,636	607,359	-	8,592,995	7,644,076	406,574	-	8,050,650	542,345	341,559	341,559	
	TOTAL- TANGIBLE	495,404,815	39,132,700	1,282,412	533,255,104	199,999,020	26,638,760	-	226,637,780	306,617,324	295,405,791	295,405,791	



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

13.2 : INTANGIBLE ASSETS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.2011	Additions/ Internal Transfers	Deductions during the year	As at 31.03.2012	As at 01.04.2011	For the Year	Deletions/ Internal Transfers	As at 31.03.2012	As at 31.03.2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Trade Marks									
	Agarbathi Division	1,024,000	-	-	1,024,000	705,074	102,400	-	807,474	216,526
	SUB TOTAL	1,024,000	-	-	1,024,000	705,074	102,400	-	807,474	216,526
2	Intangible Asset									
	Agarbathi Division	-	-	-	-	-	-	-	-	-
	Hotel Division	50,000	-	-	50,000	50,000	-	-	50,000	-
	Empire - Chennai	-	-	-	-	-	-	-	-	-
	Flavours-Vizag	50,000	-	-	50,000	50,000	-	-	50,000	-
	Empire-Vizag	-	-	-	-	-	-	-	-	-
	Construction Division	-	-	-	-	-	-	-	-	-
	SUB TOTAL	50,000	-	-	50,000	50,000	-	-	50,000	-
	TOTAL- INTANGIBLE	1,074,000	-	-	1,074,000	755,074	102,400	-	857,474	216,526

13.3 : CAPITAL WORK-IN-PROGRESS

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.2011	Additions/ Internal Transfers	Deductions during the year	As at 31.03.2012	As at 01.04.2011	For the Year	Deletions/ Internal Transfers	As at 31.03.2012	As at 31.03.2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Work in Progress									
	Agarbathi Division	9,119	-	-	9,119	-	-	-	9,119	9,119
	Hotel Division	4,603,401	27,214,764	-	31,818,165	-	-	-	31,818,165	4,603,401
	Empire - Chennai	-	-	-	-	-	-	-	-	-
	Flavours-Vizag	4,603,401	27,214,764	-	31,818,165	-	-	-	31,818,165	4,603,401
	Empire-Vizag	105,433,280	8,024,196	-	113,457,475	-	-	-	113,457,475	105,433,280
	TOTAL-WIP	110,045,800	35,238,960	-	145,284,759	-	-	-	145,284,759	110,045,800
	GRAND TOTAL	606,524,615	74,371,660	1,282,412	679,613,863	200,754,094	26,741,160	-	452,118,609	405,770,517
		573,389,384	41,528,242	8,393,013	606,524,614	173,947,175	27,827,339	1,020,417	200,754,097	399,442,210



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Note No. : 14 LONG - TERM LOANS & ADVANCES

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	(a) Agarbathi Division		
	Unsecured, Considered good		
	Capital Advances		
	-Advance for capital project	71,500,000	-
	Security Deposits	6,721,822	5,128,434
	Loans and Advances to related Parties		
	-Intercompany Deposit with ACP	45,321,269	40,903,672
	-Trade Deposits	120,000,000	95,000,000
	Other Loans and Advances	35,875,867	25,786,844
	Total	279,418,958	166,818,950
	(b) Hotel Division		
	Unsecured, Considered good		
	Security Deposits	5,011,124	5,742,234
	Other Loans and Advances	7,228,272	6,384,771
	Total	12,239,396	12,127,005
	(c) Construction Division		
	Unsecured, Considered good		
	Security Deposits	5,749,327	6,486,765
	Other Loans and Advances		
	Total	5,749,327	6,486,765
	Grand Total (a+b+c)	297,407,681	185,432,720

Note No. : 15 OTHER NON CURRENT ASSETS

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	Agarbathi Division		
	Unsecured, Considered good		
	Long-term Trade Receivables		
	Others		
	Total	-	-
	Hotel Division		
	Unsecured, Considered good		
	Long-term Trade Receivables		
	Others		
	Total	-	-



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

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

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	Agarbathi Division		
	(a) Raw Materials	121,429,256	136,419,094
	(b) Finished Goods	27,679,716	24,984,935
	(c) Stores and Spares	-	-
	(d) Packing Material	94,693	716,905
	Total	149,203,665	162,120,934
	Hotel Division		
	Stock-in-hand	2,257,873	2,049,965
	Total	2,257,873	2,049,965
	Grand Total	151,461,538	164,170,899

Note No. : 17 TRADE RECEIVABLES (Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	Agarbathi Division		
	(a) Outstanding for a period exceeding six months from the date they are due for payment "		
	Secured, considered good	-	-
	Unsecured, considered good	101,258	142,681
	(b) Others		
	Secured, considered good	-	-
	Unsecured, considered good	50,598,598	45,150,566
	Total	50,699,856	45,293,247



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Hotel Division		
a) Outstanding for a period exceeding six months		
from the date they are due for payment "		
Secured, considered good	-	-
Unsecured, considered good	-	-
b) Others	-	-
Secured, considered good	-	-
Unsecured, considered good	7,363,107	4,759,563
Total	7,363,107	4,759,563
Grand Total	58,062,963	50,052,810

Note No. : 18 CASH AND CASH EQUIVALENTS

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
(a) Agarbathi Division			
(i) Balances With Banks			
- Current Accounts	3,339,860	40,375,327	
- Earmarked balances	178,536	178,756	
- Deposit amounts			
(ii) Cheques,drafts on hand			
(iii) Cash on hand	1,770,434	6,299,499	
Total	5,288,830	46,853,582	
(b) Hotel Division			
(i) Balances With Banks			
- Current Accounts	(785,974)	(1,490,005)	
- Earmarked balances	-	-	
- Deposit amounts	-	-	
(ii) Cheques,drafts on hand	-	-	
(iii) Cash on hand	431,377	234,867	
Total	(354,597)	(1,255,138)	
(c) Construction Division			
(i) Balances With Banks			
- Current Accounts	48,611	49,199	
- Earmarked balances	-	-	
- Deposit amounts	-	-	
(ii) Cheques,drafts on hand	-	-	
(iii) Cash on hand	53,764	195,589	
Total	102,375	244,788	
Grand Total	5,036,608	45,843,232	



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Note No. : 19 SHORT - TERM LOANS AND ADVANCES

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	a) Agarbathi Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	30,000,000	11,042,738
	Loans and advances	-	-
	Others		
	With Statutory Authorities	75,153	75,153
	Other Loans and advances	2,396,645	6,102,869
	Total	32,471,798	17,220,760
	(b) Hotel Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	-	-
	Loans and advances	-	-
	Others		
	With Statutory Authorities	-	-
	Other Loans and advances	-	-
	Total	-	-
	(c) Construction Division		
	Unsecured, considered good		
	Loans and advances to related parties		
	Share Application Money	20,525,000	25,225,000
	Others		
	With Statutory Authorities	-	-
	Other Loans and advances	20,000	20,000
	Total	20,545,000	25,245,000
	Grand Total	53,016,798	42,465,760



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Note No. : 20 OTHER CURRENT ASSETS

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	Agarbathi Division		
	Interest Receivable	-	-
	Others	28,619,683	31,087,915
	Total	28,619,683	31,087,915
	Hotel Division		
	Interest Receivable	3,450,288	-
	Others	12,782,051	5,150,555
	Total	16,232,339	5,150,555
	Construction Division		
	Interest Receivable	-	-
	Others	-	-
	Total	-	-
	Grand Total	44,852,022	36,238,471

Note No. : 21 REVENUE FROM OPERATIONS

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	(a) Agarbathi Division		
	(i) Sale of Products		
	Ambica Durbar Bathies	477,592,118	398,024,643
	Ambica Scented Bathies	230,546,009	203,188,986
	(ii) Other operating revenues	578,310	804,218
	Less: Excise Duty		
	Total	708,716,437	602,017,847
	(b) Hotel Division		
	(i) Sale of Products		
	Food Sales	65,846,441	58,324,852
	(ii) Sale of Services		
	Rent Receipts	34,868,223	31,442,782
	Hospitality Income	28,777,119	27,287,493
	(iii) Other operating revenues	16,030,071	9,473,547
	Less: Excise Duty		
	Total	145,521,854	126,528,674
	Grand Total (a+b)	854,238,291	728,546,521



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Note No. : 22 OTHER INCOME

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	(a) Agarbathi Division		
	Interest Income	5,337,226	1,650,553
	Dividend Income	-	-
	Net gain/ loss on sale of investments	-	-
	Other non-operating income	6,106,255	6,530,295
	Total	11,443,481	8,180,848
	(b) Hotel Division		
	Interest Income	7,486	5,707
	Dividend Income	-	-
	Net gain/ loss on sale of investments	-	-
	Other non-operating income	47,788	195,696
	Total	55,274	201,403
	Grand Total (a+b)	11,498,755	8,382,251

Note No. : 23 COST OF MATERIAL CONSUMED

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
	(a) Agarbathi Division		
	Cost of Material Consumed		
	Opening Stock	-	-
	Raw Material	136,419,094	107,424,256
	Packing Material	716,905	14,495
		137,135,999	107,438,751
	Add: Purchases		
	Raw Material	83,318,628	92,233,558
	Packing Material	27,494,523	27,952,371
	Total	110,813,151	120,185,929
	Sub total	247,949,150	227,624,680
	Less: Closing Stock		
	Raw Material	121,429,256	136,419,094
	Packing Material	94,693	716,905
		121,523,949	137,135,999
	Total	126,425,201	90,488,681



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(b) Hotel Division :		
Opening Stock		
Provisions and Other Raw Material	125,415	1,332,660
Add: Purchases	32,146,464	27,526,871
Sub total	32,271,879	28,859,531
Less: Closing Stock		
Provisions and Other Raw Material	2,257,873	2,049,965
Total	30,014,006	26,809,566
Grand Total (a+b)	156,439,207	117,298,247

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

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	Durbarbathi Purchased	319,759,133	267,675,443
		319,759,133	267,675,443

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

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	Closing Balance	27,679,716	24,984,935
	Opening Balance	24,984,935	24,763,841
	Net increased/decreased	2,694,781	221,094

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

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
	Employee Benefit Expenses Consist of the following :		
	(a) Agarbathi Division :		
	Salaries and Incentives	3,545,200	3,129,300
	Contribution to -		
	(i) Provident Fund	135,836	76,798
	(ii) Employee State Insurance	11,916	11,576
	(iii) Bonus	157,640	70,300
	(iv) Gratuity	15,000	7,093
	Staff welfare Expenses	147,373	100,674
	Total	4,012,965	3,395,741



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(b) Hotel Division :		
Salaries and Incentives	7,177,157	6,005,596
Contribution to -		
(i) Provident Fund	380,499	437,492
(ii) Employee State Insurance	209,663	220,309
(iii) Bonus	680,044	74,299
(iv) Gratuity	-	-
Staff welfare Expenses	765,989	741,251
Total	9,213,352	7,478,947
Grand Total (a+b)	13,226,317	10,874,688

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

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
(a) Agarbathi Division :			
Interest expenses	52,648,544	38,746,471	
Other Borrowing Costs	1,922,074	10,155,070	
Applicable gain/loss on foreign currency transactions and translation	-	-	
Total	54,570,618	48,901,541	
(b) Hotel Division :			
Interest expenses	8,732,665	10,290,848	
Other Borrowing Costs	1,035,759	926,897	
Applicable gain/loss on foreign currency transactions and translation	-	(35,106)	
Total	9,768,424	11,182,640	
Grand Total (a+b)	64,339,042	60,084,181	

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

S. No.	Particulars	As at March 31, 2012	As at March31, 2011
(a) Agarbathi Division			
Agarbathi Making and Packing Charges	13,619,992	11,016,989	
Electricity Charges	3,267,953	2,881,026	
Fuel & Generator Maintenance	1,106,871	585,236	
Charities And Donations	559,513	1,009,015	
Consultancy Charges	4,044,420	2,192,562	
Insurance Premium	719,467	1,444,666	



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Internal Auditors Expenses	-	-
Audit Fee	842,700	827,250
Listing Fee	107,543	82,725
Miscellaneous A/C Balances W/O	259,609	-
Miscellaneous Expenses	311,397	98,088
Office Maintenance	93,984	860,841
Postage And Courier	133,585	207,590
Printing And Stationary	512,906	394,503
Prior Period Adjustment	-	-
Rates And Taxes	794,797	826,933
Rent	392,368	345,748
Repairs to Building	1,137,849	2,495,236
Repairs to Machinery	1,890,924	1,862,037
Repairs to Other Assets	778,612	1,287,542
Share Registrar Fees	77,210	164,258
Subscription	20,060	106,623
Telephone And Communication Expenses	1,962,657	2,306,203
Travelling And Conveyance Expenses	6,744,785	6,021,326
Vehicle Maintenance	6,001,658	5,940,414
Advertisement and Sales Promotions	17,605,682	16,096,401
Freight and Dispatch Expenses	7,801,240	7,085,144
Trade Discount on Sales	100,939,836	86,201,903
Turnover and Entry Taxes	24,637,658	18,385,040
Prior Period Adjustment	282,038	144,201
Loss on Sale of Vehicles	38,676	319,524
Bad debts written off	-	-
Total	196,685,989	171,189,023
(b) Hotel Division :		
Computer Maintenance	240,367	164,650
Consultancy Charges	164,800	171,015
Conveyance	324,405	333,038
Electricity Charges	8,955,707	10,297,421
Fuel Expenses	8,366,306	5,411,799
House Keeping Charges	15,068,166	12,637,156
Insurance	509,376	486,176
Kitchen Expenses	2,456,275	2,500,827
Miscellaneous Expenses	2,718,963	455,103
Postage and Courier Expenses	73,127	72,374
Printing & Stationary	1,276,987	1,165,793
Rates and Taxes	1,584,556	1,434,396
Rent	2,287,078	4,426,711
Repair to Building	-	1,550
Repair to Machinery	523,007	367,100
Repairs to Other Assets	2,039,143	2,573,669



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Newspaper and Subscriptions	191,519	128,922
Telephone Expenses	890,469	808,270
Transport Expenses	858,676	743,738
Travelling Expenses	265,116	373,771
Uniform and Linen	395,796	439,795
Vehicle Maintenance	1,156,437	1,236,614
Advertisement Expenses	3,574,238	3,503,806
Discounts allowed	267,856	4,351
Turnover and Other Taxes	11,568,587	8,180,138
Loss on Sale of Vehicles	314,966	
Others	-	
Total	66,071,920	57,918,182
Grand Total (a+b)	262,757,909	229,107,205

Note No. : 29 CURRENT TAX

(Amount in ₹)

S. Particulars No.	As at March 31, 2012	As at March 31, 2011
Income tax for the year		
Current tax	7,329,400	8,394,834
"Adjustment / (credits) related to Previous year-Net"		
Current tax	(991,629)	1,888,220
Total	6,337,771	10,283,054

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

(Amount in ₹)

S. Particulars No.	As at March 31, 2012	As at March 31, 2011
Profit after Tax	18,831,285	13,999,709
No. of Equity Shares	17,177,400	17,177,400
Face Value per Share	10	10
Basic/(Diluted) Earning per Share	1.10	0.85



AMBICA AGARBATHIES **AROMA & INDUSTRIES LIMITED**

Note No. : 31 ADDITIONAL INFORMATION

(Amount in ₹)

S. No.	Particulars	As at March 31, 2012	As at March 31, 2011
(i)	(a) Employee benefit expenses (refer note 26)	156,439,207	267,675,443
	(b) Depreciation and amortization expenses (refer note 13)	26,741,160	27,827,339
	(c) Any item of income or expenditure which exceeds one percent of the revenue from operations or Rs 1,00,000 whichever is higher		
	Expenditure - Agarbathi Division		
	Agarbathi Making and Packing Charges	13,619,992	11,016,989
	Advertisement and Sales Promotions	17,605,682	16,096,401
	Freight and Dispatch Expenses	-	-
	Trade Discount on Sales	100,939,836	86,201,903
	Turnover and Entry Taxes	24,637,658	18,385,040
	Expenditure - Hotel Division		
	Electricity Charges	8,955,707	10,297,421
	Fuel Expenses	8,366,306	5,411,799
	House Keeping Charges	15,068,166	12,637,156
	Turnover and Other Taxes	11,568,587	8,180,138
	(d) Interest income	5,344,712	1,656,260
	(e) Interest expenses	61,381,209	49,037,319
	(f) Dividend income	-	-
	(g) Net (gain) / loss on sale of investments	-	-
	(h) Adjustments to the carrying amount of investments	-	-
	(i) Net (gain) / loss on foreign currency transaction and translation (Other than finance cost)	-	-
	(j) Payment to auditors		
	(i) auditor	842,700	827,250
	(ii) for taxation matters	-	-
	(iii) for company law matters	-	-
	(iv) for management services	-	-
	(v) for other services	-	-
	(vi) for reimbursement of expenses	-	-
		842,700	827,250
	(k) Details of exceptional and extra-ordinary items	-	-
	(l) Prior period items	282,038	144,201
(ii)	(a) (1) Raw materials (unit in tonnes)		
	Raw Bathies and Bamboo sticks	36,663,308	21,287,679
	Compounds	16,435,276	9,017,865
	Chemicals, perfumes and others	40,456,064	32,933,176
	Paper board	18,963,780	14,675,678
	Posters and liners	7,585,512	6,309,732
	Other packing materials	6,321,260	6,264,551
	(2) Goods purchased		
	Purchase of durbar Bathies	319,759,133	267,675,443



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(vi)	Expenditure incurred on each of the following items, separately for each item :		
	(a) Consumption of stores and spare parts	-	-
	(b) Power and fuel	9,473,177	5,997,035
	(c) Rent	2,679,446	4,772,459
	(d) Repairs to buildings	1,137,849	2,496,786
	(e)/(f) Repairs to machinery	2,413,931	2,229,137
	(g) Insurance	1,228,843	1,930,842
	(h) Rates and taxes, excluding, taxes on income	2,379,352	2,261,329
	(i) Miscellaneous expenses	3,030,360	553,190
(viii)	(a) Value of imports calculated on CIF basis in respect of		
	(i) Raw Materials	-	-
	(ii) Components and spare parts	-	-
	(iii) Capital goods	-	-
	(b) Expenditure in foreign currency		
	(i) Travelling expenses	570,625	-
	(c) Value of raw materials, spares and parts, components consumed:		
	Imported	-	-
	Indigenous	126,425,201	90,488,681
	Total consumption	126,425,201	90,488,681
	% of each to the total consumption		
	Imported	0%	0%
	Indigenous	100%	100%
	(e) Earnings in foreign exchange		
	I. Export of goods calculated on FOB basis	1,521,013	747,765
	II. Royalty, know-how, professional and consultation fees"	0	0
	III. Interest and dividend	0	0
	IV. Other income	0	0
	Information with regards to clauses (ii)(b) to(ii)(e), (iii),(iv),(v),(vii),and (viii)(d) of Para 5 of the general instructions for preparation of statement of profit and loss to the extent are either Nil or not applicable to the company.		



Note No. : 32. NOTES FORMING PART OF ACCOUNTS

1) Loans & Advances, Sundry debtors and creditors balances are subject to confirmation.

2) Secured Loans:

Agarbathies Division:

- (a) Working Capital Loan of Rs.2015.37 Lakhs (2003.99 Lakhs) from Corporation Bank, Eluru, is against the hypothecation of raw materials, stocks-in-process, finished goods, consumables, stores, spares etc., and book debts of the Company, equitable mortgage on fixed assets of Hotel Division and collateral security of personal properties and personal guarantee of directors i.e., Ambica Krishna, Ambica Sudrsan, Ambica Ramachandra Rao and their relatives.
- (b) Term Loan of Rs. 389.02 Lakhs (Rs. 481.61) Lakhs from Corporation Bank, Eluru is against the first charge of the Agarbathi Rolling Machinery and of Rs.47.32 Lakhs (Rs.86.37 Lakhs) is against the first charge of the Windmill at Surandai, Tamil Nadu, equitable mortgage on fixed assets of Hotel Division and collateral security of personal properties and personal guarantee of the directors i.e., Ambica Krishna, Ambica Sudrsan, Ambica Ramachandra Rao and their relatives.
- (c) Term Loan of Rs.1009.61 Lakhs (Rs. 1001.10 Lakhs) from Indian Overseas Bank, Pondicherry is against the first charge of future rent receivables and collateral security of personal properties and personal guarantee of the directors i.e., Ambica Krishna, Ambica Sudrsan, Ambica Ramachandra Rao and their relatives.
- (d) Vehicle finance and Top-up loans of Rs. 101.14 Lakhs (Rs.93.34 Lakhs) from Barclay Bank, HDFC Bank, ICICI Bank, Ing Vysya Bank, Reliance Capital Ltd., SBI, Shriram City Union Finance Ltd, Standard Chartered Bank and Tata Ltd. are against the security of vehicles respectively financed by them.

Hotel Division:

- (a) Term Loan of Rs. 728.42 Lakhs (Rs. 390.59 Lakhs) from Corporation Bank, Eluru is against the first charge on fixed assets financed by them and collateral security of personal properties and personal guarantee of the directors i.e., Ambica Krishna, Ambica Sudarsan, Ambica Ramachandra Rao and their relatives.
- (b) Term Loan of Rs.181 Lakhs (Rs.173.50 Lakhs) from Industrial Development Bank of India Ltd., Chennai is against the first charge on future credit card receivables of the company and collateral security of personal properties and personal guarantee of the directors i.e., Ambica Krishna, Ambica Sudrsan, Ambica Ramachandra Rao and their relatives.
- (c) Term Loan of Rs. 39.04 (Rs. 41.73 Lakhs) from L & T Finance, Chennai is against the first charge on fixed assets [Air-Conditioning Plant, Transformer, Laundry] financed by them.
- (d) Vehicle finance loans of Rs. 17.82 Lakhs (Rs.14.59 Lakhs) from AXIS Bank and Reliance Capital Limited, are against the security of charge of vehicles respectively financed by them.



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Construction Division:

Term Loan of Rs. 779.18 Lakhs from Corporation Bank, Eluru is against the first charge on all movable assets of the company and collateral security of personal properties and personal guarantee of the directors i.e., Ambica Krishna, Ambica Sudarsan, Ambica Ramachandra Rao and their relatives.

3) Employee Benefits:

The Company has provided for Gratuity Liability as per the Actuary Valuation and as required by the AS-15: Employee Benefits.

4) Borrowing Cost:

Interest capitalized Rs. 13,69,638/- (Rs.NIL/-)

5) Segment Reporting:

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

Particulars	For the year ending	
	31.03.12	31.03.11
Segment Revenue		
Agarbathi Division	7,144.57	6,041.50
Hotel Division	1,455.77	1,267.65
Windmill Division	57.03	60.48
Increase/ (Decrease) in Stock	26.95	2.21
Total	8,684.32	7,371.84
Less: Inter Segment Revenue	-	-
Net Sales/ Income from Operation	8,684.32	7,371.84
Segment Results		
Agarbathi Division	577.18	583.68
Hotel Division	294.96	227.75
Windmill Division	22.94	32.59
Total	895.08	844.02
Less: Financial Charges	643.39	601.19
Profit before Tax	251.69	242.83
Capital Employed		
Agarbathi Division	5,696.00	5,610.26
Hotel Division	2,167.00	1,562.15
Windmill Division	234.80	345.03
Construction Division	1,089.42	2,025.91
Total	9,187.22	9,543.35



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The term “Segment Revenue” mentioned above included the following elements:

(Amount in Rs)

Particulars	Accretion/ (Decretion) to Stock	Other Income
Agarbathi Division	26.94	120.21
Hotel Division	Nil	160.85

6) Earning per Share (EPS):

The following particulars are furnished as required by Accounting Standard- 20 on “Earning per Share” issued by ICAI.

7) Deferred Tax:

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

Particulars	2011-12	2010-11
Deferred Tax Liability/ (Asset): On account of depreciation under Companies Act, 1956 and Income Tax Act, 1961 (Timing Difference)	(9.92)	(18.88)

9) Directors’ Traveling Expenses:

a) Domestic	Rs. 12.34 Lakhs	(Rs.21.24 Lakhs)
b) Foreign	Rs. 5.71 Lakhs	(Rs. NIL)

10) Contingent Liabilities:

I. Claims against the Company not acknowledged as debts:	NIL	(NIL)
II. Bank Guarantee by		

a) Andhra Bank:

- to Dty Comm. of Customs, Chennai	: Rs.24,17,163	(Rs.24,17,163)
- to Comm. of Customs of Customs House, Chennai	: Rs.2,80,000	(Rs.2,80,000)
- to Joint Comm. of Sale Tax, Howrah	: Rs.20,000	(Rs. 20,000)

b) State Bank of India:

- to Comm. of Customs of Customs House, Chennai	: Rs.16,20,000	(Rs.16,20,000)
- to Canteen Stores Department, Mumbai	: Rs.104,27,064	(Rs. 64,10,000)
- to Comm., Warangal Municipal Corporation, Warangal	: Rs.10,00,000	(Rs.10,00,000)



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Note: For the above Bank Guarantees availed from Andhra bank, State Bank of India, has issued Counter Guarantee. Further, Corporation Bank has issued counter Guarantee to State Bank of India.

c) Dhanalakshmi Bank:

- to APSRTC, Vijayawada : Rs.54,20,000 (Rs.54,20,000)

Authority on behalf of

Ambica Infra Ventures (P) Ltd., : Rs.21,57,500 (Rs.21,57,500)

III. Taxation matter under appeals are as follows:

Name of the Statue	Nature of the duse	Demand (Rs.)	Year to which the amount related	Forum where dispute is pending
Income Tax Act, 1961	Asst. made u/s. 143(3) r.w.s. 147	87,75,480/-	AY 2003-04	CIT(A), Chennai, Tamil Nadu.

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



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12 Related Party Disclosure :

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



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(Amount in ₹)

Relation ship Index	Name of the Related Party	Nature of Relationship	Nature of Transaction	Transaction Amount
D	Ambica Krishna	MD	Remuneration	9.00
	Ambica Sudarsan	Director	Remuneration	3.00
	Ambica Ramachandra Rao	Director	Remuneration	6.00
E	ACP Industries Ltd.	Enterprises over which parties referred in (C) or (D) as stated above are having significant influence	1. Purchase of Durbar bathies 2. Trade cum Caution Deposit 3. Inter corporate Deposit	2676.75 1200 453.21
E	Ambica windsun power pvt. Ltd.,	– Do –	1. Share Application Money(Given)	3.00
			2. Advance for Capital project	7.15
E	Ambica Infraventures Pvt. Ltd.	– Do –	1. Share Application Money	205.25
			2. Amount Payable	60.49

12)

a) Construction Work at Vizag:

The Company has entered into a License agreement with APSRTC for construction of Commercial Complex at Dwarakanagar Bus Station, Vizag on BOT basis for 30 years. The company has entered into an agreement with M/s. Trinethra Infra Ventures Ltd., (TIVL), Hyderabad for construction of the said Commercial Complex and the value of works completed as on 31-03-2012 was Rs. 567.26 Lakhs.

Further, as per the above said agreement, the company has to pay Annual Ground License Fee as well as Annual Commercial License Fee. However, the company is regular in making the respective provisions but did not make the payments for the respective provisions as per the agreement entered with them as there is a dispute between APSRTC and the company, on account of construction of a Fly-Over by the local Government, in front of the Commercial Complex and consequent inability of the company to exploit the commercial potential of the property resulting in non-payment of the lease rentals.



b) Construction Work at Vijayawada:

The Company has entered into a License agreement with APSRTC for construction of Commercial Complex at Old Bus stand, Vijayawada on BOT basis for 30 years. However, the Municipal Corporation of Vijayawada did not accord its permission for the construction of commercial complex at the allotted premises on the ground that the premises comes under Transport Zone but not of Commercial Zone. The company has already requested the said local authority to convert the premises into Commercial Zone from Transport Zone. Aggrieved by the decision of the Municipal Corporation Vijayawada, the company filed a Writ Petition vide W.P. No. 14449/09 before the Honourable High Court of Andhra Pradesh which is pending for disposal. Keeping the dispute in view the company is not paying the License fees to be payable as per the BOT agreement with the APSRTC. However, the company is regular in making the required provisions in the books of account.

13) Investment in Vaibhav Skyscapes Ltd.,

During the Financial year 2008-09, the company has transferred all its interest and investments in M/s. Vaibhav Skyscapes Pvt. Ltd., to Vaibhav Empire Pvt. Ltd., and the formalities for the registration of the same are still pending.

14) Hotel and Other Division:

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

15) Figures in the bracket denote last year figures. Previous year figures have been regrouped in appropriate cases.

for and on behalf of the Board

As per our Report of even date

Sd/-
T.S.AJAI
Chartered Accountant

Sd/-
AMBICA KRISHNA
Chairman & Managing Director

Sd/-
AMBICA RAMACHANDRA RAO
Director

PLACE : HYDERABAD
DATE : 17.08.2012

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**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**

AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Shankar Towers, Powerpet, Eluru.

PROXY FORM

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

I/ We..... being a member/ members of Ambica Agarbathies
Aroma & Industries Limited of in the district of
..... or failing him in the district of as my/
our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to
be held on **SATURDAY 29TH SEPTEMBER, 2012 at 11.00 AM** and at any adjournment thereof.

Signed this..... day of 2012.

Name

Address

**Revenue
Stamp**

Signature of the Shareholder/ Proxy*

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

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

AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Shankar Towers, Powerpet, Eluru.

**SEVENTEENTH ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

Folio No.
(To be filled by the Shareholder)

No. of Shares

I hereby record my presence in the Seventeenth Annual General Meeting of the Company held on
the **SATURDAY 29TH SEPTEMBER, 2012 at 11.00 AM** at Shankar Towers, Powerpet, Eluru.

Signature of Member/Proxy

Note:

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

