

# AMBA ENTERPRISES LIMITED

## 22<sup>nd</sup> Annual Report 2013 - 2014

ANNUAL REPORT  
FINANCIAL YEAR ENDING  
31ST MARCH, 2014

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**CORPORATE INFORMATION**

**Managing Director**

Mr. Ketan Mehta

**Company Secretary**

Bijal Shah

**Independent Director**

Mr. Vinay Mehta

Mr. Dinesh Sanjalia

Mr. Rajendra Sanghvi

**Bankers**

HDFC Bank Ltd.

Anjana Apartment, Shimpoli Junction,  
S. V. Road, Borivali (West),  
Mumbai-400092

**Registered Office**

A-103, Shilpin Building,  
Off. Boraspada Road,  
Mahavir Nagar, Kandivali (West),  
Mumbai-400067

Website : [www.ambaltd.com](http://www.ambaltd.com)

E-mail : [ambaltd@gmail.com](mailto:ambaltd@gmail.com)

**Auditors**

M/s U. D. Kachare & Co.

Chartered Accountants

C-6, Saraswati Apartment,

Laxmi Nagar, Carter Road No. 3,

Borivali (East), Mumbai-400066

Tel. : +91-22-2805 70 40 / 2865 19 47

**Registrar and Transfer Agent**

Purva Sharegistry (India) Pvt. Ltd.

Unit no. 9, Shiv Shakti Ind. Estt.,

J .R. Boricha Marg,

Opp. Kasturba Hospital Lane

Lower Parel (E), Mumbai-400011

Tel : +91-22-2301 6761 / 8261

Fax : 91-22-2301 2517

Website : [www.purvashare.com](http://www.purvashare.com)

E-mail : [busicomp@vsnl.com](mailto:busicomp@vsnl.com)

## NOTICE

Notice is hereby given that the Annual General Meeting of the members of AMBA ENTERPRISES LIMITED will be held on Tuesday, September 30, 2014, at A-103, Shilpin Bldg, Off. Borsapada Road, Opp. Malhar Bldg, Mahavir Nagar, Kandivali (West), Mumbai- 400067, to transact the following business:

### Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at March 31, 2014, the Profit and Loss Account for the year ended March 31, 2014 on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Vinay Mehta, (Din No. 01327907) who retires by rotation and being eligible, offers himself for re-appointment.
3. To declared a dividend on equity.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit. To pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT U. D. Kachare & Co., Chartered Accounts, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

### Special Business

5. To appointment of Ms. Sarika Khandre appointed as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

### Ordinary Resolution.

“RESOLVED THAT Ms. Sarika Khandre, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation in Annual General Meeting.”

6. To appointment of Mr. Yogesh Kothari appointed as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

Ordinary Resolution.

“RESOLVED THAT Mr. Yogesh Kothari, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation in Annual General Meeting.”

By Order of the Board of Directors  
For AMBA ENTERPRISES LIMITED

Ketan Mehta  
(DIN No. 01238700)  
Managing Director

Registered Office:  
A-103, Shilpin Bldg, Off. Borsapada Road,  
Opp. Malhar Bldg, Mahavir Nagar,  
Kandivali (West), Mumbai- 400 067.

Place: Mumbai  
Date: 05.09.2014

**Notes:**

- 1. A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**
- 2. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.**
- 3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 22st September, 2014 to Tuesday 30th September, 2014 (both days inclusive).**

**DIRECTOR'S REPORT**

Dear Members,

We have pleasure in presenting before you Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2014 along with the Auditor's Report thereon.

**I. BUSINESS OVERVIEW:**

The directors of the company noted the satisfactory growth made by the company in the financial year ending 31st March, 2014.

**II. FINANCIAL RESULT:**

Particulars	Amount in Rs.	
	31st March, 2014	31st March, 2013
Sales and other Receipts	6,96,88,904	8,55,61,337
Profit before depreciation, amortization and taxation	77,92,304	70,26,065
Depreciation and amortization expenses	6,96,679	4,29,374
Profit Before Tax	70,95,625	65,96,691
Less: Provision for Tax	23,27,000	29,60,657
Less: Provision for deferred Tax	48,900	14,933
Profit after Taxation	47,19,725	36,21,101
Brought forward from previous year	1,51,09,217	1,29,88,116
Profit Available for Appropriation	1,98,28,942	1,66,09,217
Less: Trf to General Reser ve	10,00,000	15,00,000
Balance carried to Balance Sheet	1,88,28,942	1,51,09,217

**III. DIVIDEND:**

In view of the expansion of the business of Company and to conserve the resources, your Directors regret their inability to recommend any dividend for the year under report.

**IV. OPERATIONS:**

The sales of the Company decreased from Rs.903.92/- lacs to Rs. 715.48 lacs. as compared to the last financial year. The other Income increase during the year was Rs.53.46 lacs as against Rs.46.26/- lacs in the previous year.

The Profit before Depreciation, amortization and Tax Increase from Rs.70.26 to Lacs Rs.77.92 Lacs. The Profit after tax increased from Rs.36.21 Lacs to Rs.47.19 Lacs registering a increase of Rs. 10.98 lacs over the preceding year.

**V. DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Vinay Mehta retires by rotation and being eligible offer themselves for re-

appointment. The Board of Directors recommend passing of the Resolution.

#### **VI. NOTES TO ACCOUNTS:**

The observations of Auditors and Notes on Accounts are self-explanatory.

#### **VII. PARTICULARS OF EMPLOYEES:**

There were no employees in respect of whom information under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 is required to be given.

#### **VIII. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act 1956, the Directors state as follows:-

- (a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material discrepancy has been made from the same.
- (b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2014 and of the profit for the year ended on that date.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

#### **IX DEPOSITS:**

The Company did not invite / accept any Fixed Deposits from the public during the year under report.

#### **X. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:**

Pursuant to the provision of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 read with Section 217(1)(e) of the Companies Act, 1956, the necessary details are give hereunder:

- a) Conservation of Energy  
The Company focused to optimise consumption of energy, power and other energy sources wherever possible. We emphasis towards clean environment and continues to adhere to all regulatory requirement and guidelines.
- b) Technology absorption and innovation is a continuous process in the company
- c) Disclosure of information relating to foreign exchange earnings and outgo as required under Rule 2 (c) of Companies (Disclosure of Particulars in the Board of Directors) Rules, 1988 is  
31st March, 2014                      31st March 2013



	(Amount in Rs.)	(Amount in Rs.)
(a) Earning	Nil	Nil
(b) Outgo	1,84,90,885	3,23,55,281

**XI .AUDITORS:**

M/s. U. D. Kachare & Co., Chartered Accountants are re-appointed as an auditors of the Company until the conclusion of next Annual General Meeting.

**XII. AUDITORS REMARKS:**

There are no adverse remarks on the accounts of the Company. Hence no comments are required to be made on the Auditors Report.

**XIII. HUMAN RESOURCES:**

The Relationship of your company with its employees at all levels remained cordial throughout the year. Your Directors wish to place on record their appreciation for the dedicated service of its employees.

**XIV. CORPORATE GOVERNANCE:**

Our Company has complied material provisions as required by the listing agreement with the stock exchanges. Also Corporate Governance Report and Management Discussion and analysis Report is annexed herewith.

**XV. INTERNAL CONTROL SYSTEM:**

The Company's internal control procedure ensures compliance with various policies, practices and status in keeping with the organization and pace of growth.

**XVI.APPRECIATION:**

Your Directors wish to place on record their sincere thanks to the various stakeholders such as Banks, Financial Institutions, Central and State Governmental authorities, Customers, Vendors and last but not least to the Shareholders, who supported the Management in turnaround of the Company.

**XVII. ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the help and Co-Operation rendered by staff of the Company, banks for their timely assistance and the customers and suppliers of the Company for their continued support.

By order of the Board of Directors,  
Amba Enterprises Limited

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Ketan Mehta  
Managing Director

Place: Mumbai.

Dated: 05.09.2014

Registered Office:-  
A-103, Shilpin Bldg,  
Off. Borsapada Road, Opp. Malhar Bldg,  
Mahavir Nagar, Kandivali (West),  
Mumbai- 400067.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****Back ground**

Amba Enterprises is a “Power Engineering Solutions Company” primarily into the manufacturing of Transformers Cores & Lamination and stamping for rotating machines, the key USP of Amba Enterprises is that it assures the client of the reduction in transmission loss, Amba Enterprises one of the largest players in the manufacturing of Transformers Cores & Laminations in India.

**Indian Scenario**

The last couple of years have amply demonstrated the resilience of the Indian economy vis-à-vis the economies of the ‘developed nations’. This has resulted in a renewal of confidence of the global investors in the Indian story. If we add to this the strong GDP growth and the measures taken by the government to boost economy, the Indian scenario looks excellent in the coming years.

**Indian Power Scenario**

Despite the fact that every sixth persons in the world is an Indian, the country produces only about 2.4% of the total world energy output. From another angle, an average American’s energy consumption is more than 25 times that of an average Indian. These facts point out to the huge potential in the energy sector in India.

However, in the past, the growth in power generation has lagged behind the planned generation. The government appears to be acutely aware of this and if the recent actions and policy measures of the government are any indicators, we are very likely to see a massive growth in electricity generation in the next few years.

**Operating Results of the Company**

The financial statements have been prepared in compliance with the requirements of the Companies Act 1956 and Accounting Standards (AS) notified by the companies (Accounting Standards) Rules, 2006.

The salient features of the company performance are:-

- Total Sales of Rs. 64,342,410/-
- Net profit of Rs.4,719,725/-
- Earning per share for the year of Rs. 0.89

With a net worth of about Rs. 117,528,942/- as on March 31, 2014, Amba Enterprises counts among the top Indian Power Ancillary manufacturing companies.

**Outlook for the Company**

In the coming year, the company plans to continue to consolidate its business of Lamination by concentrating on the Lamination required for higher rating transformers and on the customers having pan India presence as well as global presence. The company has already moved from manual process to automation by installing state-of-art slitting machines and cut-to-length line. These machines will further help the company in achieving growth in market share, profitability, and

increased customer acceptance and above all, lowest electrical losses. The stamping business of the company is doing well and the board is hopeful that the growth in this business shall be better than the previous year.

#### **Internal controls and their adequacy**

The internal audit was carried out by an independent firm of Chartered Accountants who conduct the audit on the basis of Annual Audit Plan. The process includes review and evaluation of effectiveness of the existing process, controls and compliance. It also ensures adherence to policies and systems, and mitigation of the operational risk perceived for each area under audit. Significant observations including recommendations for improvement of the business process were reviewed by the management before reporting to the audit committee which reviewed the internal audit reports and status of implementation of the agreed action plan.

#### **Human Resources**

During the year under review, HR continued to undertake initiatives towards development, enhancement and retention of workforce. Your company strongly believes that employees are central to the company's transformation agenda and that it is important to build capabilities of employees to handle both current and future needs. During the year, the company worked extensively on identifying the needs of employees across all categories and level. The company has built a young and vibrant team of qualified and competent professionals to meet the emerging business challenges and market competition.

#### **Risk and Concerns**

The Company has to mainly depend on the foreign suppliers for import of Electrical Steel. Any delay in procurement of the same would impact the financials of the Company. However, the company has over the past 2 decades tied up with almost all the major global players and has developed a strong relationship with these suppliers. Further, fluctuations in the prices of Electrical steel would also have an impact on the bottom line of the company.

#### **Cautionary Statement**

Statements in the Management Discussion and Analysis, describing the Company's objective, projections and estimates, are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental/related factors.

On behalf of the Board of Directors,  
For Amba Enterprises Limited

Place: Mumbai

Date: 05.09.2014

Ketan Mehta  
(DIN No. 01238700)  
(Managing Director)

## ***CORPORATE GOVERNANCE REPORT***

### **1. Company's Philosophy on Corporate Governance**

Our Philosophy on Corporate Governance is aimed at assisting the Management and the Board of Directors in efficient conduct of the business and in meeting its obligations to all stakeholders, and is guided by the principles of transparency, fairness, accountability and integrity. These practices endeavour to attain balance among enhancement of stakeholder value and achievement of business objectives.

### **2. Board of Directors**

#### **(i) Composition as on 31<sup>st</sup> March, 2014:**

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors. The Board of Directors of the Company represents an optimum combination of experience, knowledge & professionalism. The current strength of the Board of Directors of the Company comprises of Four Members.

The day-to-day management of the Company is conducted by Mr. Ketan Mehta, Managing Director subject to the supervision and control of the Board of Directors.

None of the directors held directorships in more than 15 Public Limited Companies. None of the directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the directors. The information on composition/category of directors and their Directorships/Committee membership in other public companies as on March 31, 2014 is as under:

Name of Director	Category / Position	No. of other Directorships	Other committee position	
			Member	Chairman
Ketan Mehta	Managing Director	3	-	-
Vinay Mehta	Director	-	-	-
Dinesh Sanjalia	Director	-	-	-
Rajendra Sanghvi	Director	1	-	-

\*(Including Chairmanship of Board of Directors in one Company)

Notes:-

- (1) The directorships exclude alternate directorships, directorships of private limited companies, bodies corporate incorporated outside India and those held in associations.
- (2) The committee positions pertain to position held on Audit Committee and Shareholders'/Investors' Grievance Committee of public limited companies.

**(ii) Meetings and attendance:**

Six meetings of the Board of Directors were held during the year ended March 31, 2014. These meetings were held on 08/04/2013, 09/07/2013, 20/08/2013, 04/09/2013, 12/11/2013 and 06/02/2014. The Annual General Meeting will be held on 30<sup>th</sup> September, 2014.

The information on attendance of each Director at the meeting of the Board of Directors held during the year ended March 31, 2014 and at the last Annual General Meeting is as under:

Name of Director	No. of Board meetings attended	Attendance at last AGM
Ketan Mehta	6	Yes
Vinay Mehta	6	Yes
Dinesh Sanjalia	6	Yes
Rajendra Sanghvi	6	Yes

**3. Audit Committee:**

The Board of Directors has constituted Audit committee of Directors to exercise powers and discharge function as stipulated in Section 292A of the Companies Act, 1956. During the year four meetings were held on 09/07/2013, 04/09/2013, 12/11/2013, 06/02/2014, all the members had attended all meetings.

The Composition of Audit Committee is as under:

<i>S. No.</i>	<i>Name of the members</i>	<i>Status</i>	<i>Director Status</i>
1.	Dinesh Sanjalia	Chairman	Non-Executive & Independent
2.	Ketan Mehta	Member	Executive Director
3.	Rajendra Sanghvi	Member	Non-Executive & Independent

#### 4. Remuneration Committee and Details of Remuneration

The Remuneration Committee is not mandatory for the company.

#### 5. Shareholders'/ Investors' Grievance Committee

The Board has constituted a share transfer committee consisting of Mr. Ketan Mehta, Mr. Vinay Mehta and Mr. Dinesh Sanjalia and Mr. Ketan Mehta is designated as Compliance Officer. As on 31st March, 2014. No complain received during the year.

#### 6. General Body Meetings

The information relating to the location and time of last three Annual General Meetings and Extra General Meeting the Special Resolutions passed thereat is as under:

Year	Type of General Meeting	Location	Date	Time	Whether any Special Resolution passed
2011	AGM	A-103, Shilpin Bldg, Off. Borsapada Road, Opp. Malhar Bldg, Mahavir Nagar, Kandivali (West), Mumbai-400067	30/09/2011	3.00 PM	No
2012	AGM	A-103, Shilpin Bldg, Off. Borsapada Road, Opp. Malhar Bldg, Mahavir Nagar, Kandivali (West), Mumbai-400067	29/09/2012	3.00 PM	No
2012	EGM	A-103, Shilpin Bldg, Off. Borsapada Road, Opp. Malhar Bldg, Mahavir Nagar, Kandivali (West), Mumbai-400067	10/02/2012	11.00 AM	Yes
2013	AGM	A-103, Shilpin Bldg,	30/09/2013	3.00	No

		Off. Borsapada Road, Opp. Malhar Bldg, Mahavir Nagar, Kandivali (West), Mumbai-400067		PM	
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The Company has neither passed any Special Resolution through postal ballot during 2013-2014 nor at present proposes to pass any Special Resolution through postal ballot during the current year.

**7. Disclosures**

The Company has entered into related party transactions with its Promoters, Directors, and Management in the interest of the Company.

**8. Means of Communication**

The Company regularly intimates its unaudited as well as audited Financial Results to the Stock Exchange, as soon as these are taken on record / approved.

**9. General Shareholder Information**

AGM: Date, Time and Venue	Date : 30 <sup>TH</sup> September,2014 Time : 3.00 p.m. Venue : A-103, Shilpin Bldg, Off. Borsapada Road, Opp. Malhar Bldg, Mahavir Nagar, Kandivali (West), Mumbai-400067
Date of Book Closure	Monday, 22 <sup>nd</sup> September, 2014 to Monday, 30 <sup>th</sup> September, 2014.
Dividend Payment Date	30 <sup>th</sup> September, 2014
Financial year	1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> March,2014
Listing on Stock Exchanges	<b>1.</b> Pune Stock Exchange Ltd. Shivleela Chambers 4th Floor, 752 Sadashiv Peth R.B.Kumathekar Marg Pune : 411030  <b>2.</b> Ahmendabad Stock Exchange Ltd. Kamdhenу Complex, Opp. Sahajanand



	Colleage, Panjarapole, Ambawadi, Ahmedabad- 380015
Stock Code	Ahmedabad Stock Exchange -03596
ISIN	NA
Corporate Identification Number (CIN)	L99999MH1992PLC067004
Market Price Data	NA
Performance in comparison to Pune & Ahmedabad	NA
Registrar and Transfer Agents	In house
Distribution of Shareholding as on 31-03-2013.	Annexure A
Shareholding pattern	Annexure B
Dematerialization of shares	N.A
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity.	<b>No</b>
Plant Locations	<b>NA</b>
Address for correspondence	Amba Enterprises Limited A-103, Shilpin Bldg, Off. Borsapada Road, Opp. Malhar Bldg, Mahavir Nagar, Kandivali (West), Mumbai- 400067.

Annexure A

Distribution of shareholding as on March 31, 2014 is as under:

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of capital
Upto 500	391	78.02	3910	0.07
501 – 1000	26	5.20	26000	0.49
1001 – 2000	07	1.40	12590	0.24
2001 – 3000	06	1.20	16500	0.31
3001 – 4000	02	0.40	8000	0.15
4001 – 5000	20	4.00	100000	1.90
5001 – 10000	21	4.20	192900	3.66
10001 and above	27	5.40	4915300	93.18
<b>Total</b>	<b>500</b>	<b>100.00</b>	<b>5275200</b>	<b>100.00</b>

**Annexure B**

Shareholding pattern as on March 31, 2014 is as under:

Category	No. of shares	% holding
Promoters & Promoters Group	1265000	23.98
Mutual Funds, Banks & Insurance Companies	0	0.00
Foreign Institutional Investors (FIIs)/OCB	0	0.00
NRIs	405500	7.69
Corporate Bodies	175200	3.32
<i>Resident individuals</i>	3429500	65.01
Total	5275200	100.00

Dematerialization of shares:

Category	No. of shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	NIL	NIL	NIL	NIL
Physical Form	5275200	100.00	500	100.00
Total	5275200	100.00	500	100.00

**DECLARATION**

I hereby declare that the Directors and Senior Management Personnel including all functional heads of the Company have affirmed compliance with the code of conduct for the year ended March 31, 2014.

**For and on behalf of Board**

**Amba Enterprises Limited**

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Ketan Mehta  
Managing Director  
DIN No. 01238700

**CEO / CFO CERTIFICATION**

To

The Board of Directors

Amba Enterprises Limited

We have reviewed the financial statements, read with cash flow statement of Amba Enterprises Limited. For the year ended March 31, 2014 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors;
  - (i) Significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of Board  
Amba Enterprises Limited**

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Ketan Mehta  
Managing Director  
DIN No. 01238700  
**Place:** Mumbai  
**Dated:** 05.09.2014

## **Independent Auditors' Report**

To the Member of **Amba Enterprises Limited**

### **Report on the Financial Statements:**

We have audited the accompanying financial statements of **Amba Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs with respect to section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

As per AS 15 Employees Benefits, a company is required to get actuarial certificate at least once during the financial year for retirement and other benefits. Also "Defined benefits obligations" in nature of Gratuity and Leave encashment are to be accounted on accrual basis. The company provides Leave encashment and Gratuity are accounted on cash basis and not on accrual basis as per an actuarial certificates. The Company has not obtained an actuarial certificate during the financial year.

### **Qualified Opinion**

In our Opinion and to the best of our information and according to the explanations given to us, ***except for the effects of the matter described in the Basis for Qualified Opinion paragraph***, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

### **Opinion:**

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for qualified paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) In the case of the Statement of Profit and Loss , of the Profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order, 2004' issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, (hereafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs with respect to section 133 of the Companies Act, 2013; and
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For U. D. KACHARE & CO.**

Chartered Accountants

Firm Registration No.104513w

**Place:** Mumbai

**Date :** 10/05/2014

*Mr. U. D. KACHARE*

Proprietor

Membership No. 38046



**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT – 31<sup>ST</sup> MARCH 2014**

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date, to the members of Amba Enterprises Ltd on the accounts of the Company for the year ended 31st March, 2014:

- 1)
  - a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, the fixed assets have been physically verified by the Management, in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size of the company and nature of its assets. The frequency of physical verification is reasonable and no materials discrepancies were noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
  
- 2)
  - a) As explained to us, the inventories (excluding stocks with third parties and materials in-transit) have been physically verified during the year by the management. In respect of inventories lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories and the discrepancies noticed on physical verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.
  
- 3) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of clause (iii)(a) to (iii)(g) of paragraph 4 of the order are not applicable.
  
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control.
  
- 5)
  - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into a register 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 into in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Five Lacs rupees in respect of any party during the year have been

made at prices which are reasonable having regard to the prevailing market prices at the relevant time and other relevant circumstances other than the transactions of special nature for which competitive quotations are not available.

- 6) The Company has not accepted any deposits from the public. Therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 7) According to the information and explanations given to us by the management, the Company has provided sufficient internal checks at various stages, therefore, we are informed that, at present, the Company does not have formal internal audit.
- 8) On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 have been made and maintained. However, we are not required to and have not carried out any detailed of such records.
- 9) According to the information and explanations given to us in respect of statutory dues:
- The Company has been generally regular in depositing undisputed statutory dues, including employee's state insurance, Income tax, Value Added Tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it with appropriate authorities during the year except Professional Tax.
  - There is no undisputed amounts in respect employee's state insurance, Income tax, Value Added Tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six month from the date they became payable except Professional Tax.
  - According to the information and explanations given to us, there are no dues of Income tax, Service tax, Customs duty, Excise duty and Cess, which have not been deposited on account of any dispute. However, according to information and explanations given to us, the following dues of VAT, has not been deposited by the Company on account of disputes

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
MVAT Act'2002	VAT	2,12,295	Assessment Year 2009-10	Dy Comm. of Sale Tax Mumbai

- 10) The Company does not have any accumulated losses at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion and according to information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institutions or banks as at the balance sheet date. The Company has not issued any debentures.
- 12) According to the information and explanations given to us and based on the documents and records produced, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the

provisions of clause 4 (Xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- 13) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- 14) The Company is not dealing in or is trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- 15) The Company has not given guarantee for loans taken by others from Bank or Financial Institutions.
- 16) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- 17) On the basis of information received from the management and based on our overall examination of the Balance Sheet of the Company, the company has not used any funds raised on short-term basis for long term purposes.
- 18) 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 and therefore the question of price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- 19) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report; accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- 20) The Company has not raised monies by public issues during the year and therefore the question of disclosure and verification of end use of such monies does not arise.
- 21) 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 instance of fraud on or by the Company, noticed or reported during the year, nor we have been informed of any such case by the management.

For U. D. KACHARE & CO.  
Chartered Accountants  
Firm Registration No.104513W

Uday. D. Kachare  
Proprietor  
Membership No. 038046

Place: Mumbai  
Date: 10/05/2014

<b>M/S. AMBA ENTERPRISES LTD.</b>			
<b>BALANCE SHEET AS AT 31ST MARCH, 2014</b>			
<b>PARTICULARS</b>		<b>Year ended 31st March 2014</b>	<b>Year ended 31st March 2013</b>
<b><u>I. EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholder's Funds</u></b>			
(a) Share Capital	2	5,27,52,000	5,27,52,000
(b) Reserves and Surplus	3	6,47,76,942	6,00,57,217
<b><u>Non-Current Liabilities</u></b>			
(a) Long term borrowings	4	2,83,726	4,97,440
(b) Deferred tax liabilities (Net)	5	1,18,285	69,385
<b><u>Current Liabilities</u></b>			
(a) Trade payables	6	48,08,461	1,26,77,311
(b) Other current liabilities	7	1,06,16,451	1,78,94,710
(c) Short-term provisions	8	-	14,44,722
		<b>13,33,55,865</b>	<b>14,53,92,785</b>
<b><u>II. ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
(a) Fixed assets			
(i) Tangible assets	9	45,04,732	35,82,654
(b) Non - Current Investments	10	50,65,000	50,65,000
<b><u>Current assets</u></b>			
(a) Inventories	11	2,68,91,951	2,86,75,393
(b) Trade receivables	12	1,79,78,280	2,30,48,682
(c) Cash and cash equivalents	13	5,58,62,161	7,56,96,033
(d) Short-term loans and advances	14	2,25,08,312	89,54,054
(e) Other Current Assets	15	5,45,429	3,70,969
		<b>13,33,55,865</b>	<b>14,53,92,785</b>

Significant Accounting Policies and Notes form  
an

integral part of the financial statements

**1 -  
32**

As per our Report of even date

**For U. D. Kachare & Co.**

Chartered Accountants

**For AMBA ENTERPRISES LTD.**

**Uday Kachare**

**Proprietor**

Membership No. : 038046

**Mr. Ketan Mehta**

Director

**Mr. Rajendra Shangvi**

Director

**Date : 10th May, 2014**

<b>M/S. AMBA ENTERPRISES LTD.</b>			
<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014</b>			
<b>PARTICULARS</b>		<b>Year ended 31st March 2014</b>	<b>Year ended 31st March 2013</b>
Revenue from operations(Gross)		7,15,48,447	9,03,91,791
Less : Excise Duty		72,06,037	94,56,714
<b>Revenue from operations(Net)</b>		<b>6,43,42,410</b>	<b>8,09,35,077</b>
Other Income	16	53,46,494	46,26,260
<b>Total Revenue</b>		<b>6,96,88,904</b>	<b>8,55,61,337</b>
<b><u>Expenses:</u></b>			
Cost of materials consumed	17	4,09,80,591	5,62,62,573
Purchase of Stock-in-Trade		67,02,869	28,40,876
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(23,12,844)	9,94,333
Employee benefit expense	19	30,99,986	23,89,707
Financial costs	20	1,95,678	4,98,416
Depreciation and amortization expense		6,96,679	4,29,374
Other expenses	21	1,32,30,320	1,55,49,367
<b>Total Expenses</b>		<b>6,25,93,279</b>	<b>7,89,64,646</b>
<b>Profit before tax</b>		<b>70,95,625</b>	<b>65,96,691</b>
<b>X. Tax expense:</b>			
(1) Current tax		23,27,000	29,60,657
(2) Deferred Tax(Liabilities)		48,900	14,933
<b>Profit/(Loss) for the period</b>		<b>47,19,725</b>	<b>36,21,101</b>
<b>Earning per equity share:</b>			

(1) Basic		0.89	0.69
(2) Diluted		0.89	0.69
<p>Significant Accounting Policies and Notes form an integral part of the financial statements <b>1 - 32</b></p> <p>As per our Report of even date  <b>For U. D. Kachare &amp; Co.</b>  Chartered Accountants</p> <p style="text-align: right;"><b>For AMBA ENTERPRISES LTD.</b></p> <p style="text-align: center;"><b>Uday Kachare</b>  <b>Properietor</b>  Membership No. : 038046</p> <p style="text-align: center;"><b>Mr. Ketan Mehta</b>  Director</p> <p style="text-align: right;"><b>Mr. Rajendra Shangvi</b>  Director</p> <p><b>Date : 10th May, 2014</b></p>			

**M/S. AMBA ENTERPRISES LTD.**  
**CASH FLOW STATEMENT**  
**For the year ended 31s March,2014**

Particulars	YEAR ENDED 31-03-2014	YEAR ENDED 31-03-2013
<b>A) <u>Cash Flow from Operating Activities</u></b>		
Profit Before Tax	70,95,625	65,96,691
Adjustment for :		
Depreciation	6,96,679	4,29,374
Interest Received	(52,10,746)	(45,06,164)
<b>Operating Profit before Working Capital Changes</b>	<b>25,81,558</b>	<b>25,19,901</b>
<b>Adjustment for</b>		
Inventories	17,83,442	1,91,86,457
Trade Receivables	50,70,402	11,34,953
Loans and Advances	(1,36,32,378)	31,43,877
Trade payables and Other Liabilities	(1,51,47,109)	(46,79,551)
<b>Net Changes in Working Capital</b>	<b>(2,19,25,643)</b>	<b>1,87,85,736</b>
<b>Cash Generated from Operations</b>	<b>(1,93,44,085)</b>	<b>2,13,05,637</b>
Taxes Paid	(38,68,062)	(15,28,833)
<b>Net Cash Generated /( used) from Operating Activities</b>	<b>(2,32,12,147)</b>	<b>1,97,76,804</b>
<b>B) <u>Cash Flow from Investing Activities</u></b>		
Purchase of Fixed Assets	(16,18,757)	(14,62,049)
Fixed deposits with Banks	-	5,42,93,355
Purchase of Shares	-	(49,000)



	<b>Net Cash used in Investment Activities</b>	<b>(16,18,757)</b>	<b>5,27,82,306</b>
<b>C)</b>	<b>Cash Flow from Financing Activities</b>		
	Repayment/Proceeds of Borrowings	(2,13,714)	7,96,605
	Interest Received	52,10,746	45,06,164
	<b>Net Cash generated from Financing Activities</b>	<b>49,97,032</b>	<b>53,02,769</b>
	<b>Net Increase/ (Decrease) in cash &amp; Cash Equivalents</b>	<b>(1,98,33,872)</b>	<b>7,78,61,879</b>
	Opening Cash & Cash Equivalents	7,56,96,033	(21,65,846)
	Closing Cash & Cash Equivalents	5,58,62,161	7,56,96,033

As Per Our Report Of Even Date Attached

**For U. D. Kachare & Co.**  
Chartered Accountant

-

**FOR AND ON BEHALF OF THE BOARD**

**Uday Kachare**

**MR. KETAN MEHTA**

**MR RAJENDRA SANGHVI**

**Proprietor**

**[Director ]**

**[Director ]**

Membership No. : 038046

**MUMBAI**

**Date : 10th May, 2014**

**M/S. AMBA ENTERPRISES LTD.**  
**Notes forming part of the Financial Statements**

**2) Share Capital**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	<b><u>AUTHORIZED SHARE CAPITAL</u></b> <b><u>Equity Share Capital</u></b> 55,00,000 (P. Y. 55,00,000)Equity Shares of ` 10/- each.	5,50,00,000	5,50,00,000
	-	5,50,00,000	5,50,00,000
	-		
2	<b><u>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</u></b> 52,75,200 (P. Y. 52,75,200)Equity Shares of ` 10/- each.	5,27,52,000	5,27,52,000
	-		
	-		
	<b>Total in `</b>	<b>5,27,52,000</b>	<b>5,27,52,000</b>

**a) Reconciliation of Numbers of Shares**

Equity share outstanding as at 1st April 2013/ 1st April 2012	52,75,200	51,00,000
share outstanding as at 31st March 2014/ 31st March 2013	52,75,200	52,75,200

**b) The Company does not have any holding company / ultimate Holding Company.**

The Company has not issued any bonus shares during the last five

**c) years.****d) Details of shareholders holding more than 5% shares of the company**

Name of Shareholders	Current Year	Previous Year
Mr.Ketan H Mehta (%) of shareholding	7,15,000 13.55%	7,14,000 13.54%
Mrs.Chhaya Mehta (%) of shareholding	5,50,000 10.43%	5,50,000 10.43%
Mr.Manish Desai (%) of shareholding	5,32,800 10.10%	5,32,800 10.10%

Mr.Alpesh V Doshi (%) of shareholding	4,59,100 8.70%	4,59,100 8.70%
Mr.Divesh Ruparelia (%) of shareholding	4,59,100 8.70%	5,000 0.09%
Mrs.Parul Gandhi (%) of shareholding	3,29,200 6.24%	3,29,200 6.24%

- e) The Company has only one class of shares issued and paid up Capital referred to as equity share having a per value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

### **3) Reserve & Surplus**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	<b>Securities Premium account</b>	4,20,48,000	4,20,48,000
2	<b>General Reserve</b>		
	Balance as per the last financial statements	29,00,000	14,00,000
	Add: Transferred from surplus in statement of profit and loss	10,00,000	15,00,000
	Closing balance	39,00,000	29,00,000
3	<b>Surplus in the statement of profit &amp; loss</b>		
	Balance as per the last financial statements	1,51,09,217	1,29,88,116
	Profit for the Year	47,19,725	36,21,101
	Less: Appropriation:		
	Transfer to General reserve	10,00,000	15,00,000
	<b>Balance in the Statement of Profit and Loss</b>	1,88,28,942	1,51,09,217
	<b>Total in `</b>	<b>6,47,76,942</b>	<b>6,00,57,217</b>

### **4) Long Term Borrowings**

Sr. No	Particulars	Non-current portion		Current portion	
		Year ended 31st March 2014	Year ended 31st March 2013	Year ended 31st March 2014	Year ended 31st March 2013
1	<b>OverdraftTerm Loan from Kotak Mahindra Prime Ltd Vehicle Loan A/c Honda City</b> (Repayable in 36 equal monthly installment, last installment falling due on March'16.  Amount disclosed under the head "Other current liabilities" (See note no. 7)	- - 2,83,726	- - 4,97,440	2,80,962  (2,80,962)	3,25,440  -3,25,440
	<b>Total in `</b>	<b>2,83,726</b>	<b>4,97,440</b>	-	-

**Note:**

- a) Car Loan from Kotak Mahindra Prime Ltd of `5,64,688/- (Previous year `8,22,880/-) is secured by hypothecation of vehicle (Honda City). Repayable in 36 equated monthly installment of `27,120/- each from March'2013

**5) Deferred Tax Liabilities**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
	<b>Deferred Tax Liability on account of</b> Difference between WDV as per the Income Tax Act, 1961 and the Company Act, 1956	1,18,285	69,385
	<b>Net Deferred Tax Liability in `</b>	<b>1,18,285</b>	<b>69,385</b>

**6) Trade Payable**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Creditors for Materiel/Supplies	21,78,828	1,10,82,469
2	Creditors for Services	26,29,633	15,94,842
	<b>Total in `</b>	<b>48,08,461</b>	<b>1,26,77,311</b>

**7) Other Current Liabilities**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Current maturities of long-term borrowings (see note no 4)	2,80,962	3,25,440
2	Statutory Dues Payable	3,35,489	4,62,872
3	Other Advances	1,00,00,000	1,71,06,398
	<b>Total in `</b>	<b>1,06,16,451</b>	<b>1,78,94,710</b>

**8) Short Term Provisions**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Provision for Tax(Net off Taxes Paid)	-	14,44,722
	<b>Total in `</b>	<b>-</b>	<b>14,44,722</b>



**Note No 9 : Fixed Assets**

Description	Rate	Gross Block				Depreciation	Net Block			
		Value at the beginning	Additions During the Year	Sales During the Year	Value at the end		Provided During the year	Value at the end	As at 31.03.2014	As at 31.03.2013
Computer & Software	40.00 %	4,23,403	19,711	-	4,43,114	3,29,133	41,884	3,71,017	72,097	94,270
Vehical	25.89 %	13,56,393	-	-	13,56,393	2,10,175	2,96,757	5,06,932	8,49,461	11,46,218
Furniture & Fixture	18.10 %	3,21,081	16,161	-	3,37,242	1,67,962	28,626	1,96,588	1,40,654	1,53,119
Plant & Machinery	13.91 %	39,19,500	14,28,096	-	53,47,596	20,99,385	2,66,693	23,66,078	29,81,518	18,20,115
Factory Equipment	13.91 %	3,03,812	74,500	-	3,78,312	1,50,156	23,673	1,73,829	2,04,483	1,53,656
Office Equipments	13.91 %	2,28,196	80,289	-	3,08,485	52,506	33,540	86,046	2,22,439	1,75,690
Bycle	13.91 %	62,008	-	-	62,008	22,422	5,506	27,928	34,080	39,586
<b>TOTAL (Current Year)</b>		<b>66,14,393</b>	<b>16,18,757</b>	<b>-</b>	<b>82,33,150</b>	<b>30,31,739</b>	<b>6,96,679</b>	<b>37,28,418</b>	<b>45,04,732</b>	<b>35,82,654</b>
<b>(Previous Year)</b>		51,52,344	14,62,049	-	66,14,393	26,02,365	4,29,374	30,31,739	35,82,654	25,49,979

**Office Equipments**

Inverter	13.91 %	18,200	<b>37,363</b>	-	55,563	7,214	4,424	11,638	43,925	10,986
Mobile Phone	13.91 %	34,515	20,953	-	55,468	9,056	6,918	15,974	39,494	25,459
Air Conditioner	13.91 %	1,07,381	21,973	-	1,29,354	21,265	12,582	33,847	95,507	86,116

Television Set	13.91 %	60,000	-	-	60,000	14,962	8,152	23,114	36,886	45,038
Refrigerator	18.10 %	8,100	-	-	8,100	9	1,464	1,473	6,627	8,091
		<b>2,28,196</b>	<b>80,289</b>	<b>-</b>	<b>3,08,485</b>	<b>52,506</b>	<b>33,540</b>	<b>86,046</b>	<b>2,22,439</b>	<b>1,75,690</b>

**10) Non Current Investments**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
	<b>Trade Investments</b> (Valued at cost unless stated otherwise) <b>Investment in equity instruments (Unquoted)</b> 4,900 (P.Y. 4,900) Equity shares of Ashta Vinayak Holidays Pvt Ltd of Rs. 10/- each fully paid up.	49,000	49,000
	Investment in Immovable properties	50,16,000	50,16,000
	<b>Total in `</b>	<b>50,65,000</b>	<b>50,65,000</b>

**11) Inventories**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Raw Material	2,43,16,390	2,84,12,676
2	Stock in Trade, WIP and Finished Goods	25,75,561	2,62,717
	<b>Total in `</b>	<b>2,68,91,951</b>	<b>2,86,75,393</b>

**Note:**

- a) Year end inventories are valued and certified by the management.
- b) Inventories are valued at lower of cost or net realisable value.

**12) Trade Recievables**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	<b>Unsecured, Considered Good :</b>		
	Outstanding for more than six months	5,33,659	10,41,977
	Others	1,74,44,621	2,20,06,705



	-		
	<b>Total in `</b>	<b>1,79,78,280</b>	<b>2,30,48,682</b>

**13) Cash & Cash Equivalent**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Cash on Hand	12,62,123	3,56,605
2	Balances with Banks	19,59,221	77,51,776
3	Other Bank Balances (Deposits with Banks)	5,26,40,817	6,75,87,652
	<b>Total [ A + B + C ]</b>	<b>5,58,62,161</b>	<b>7,56,96,033</b>

**14) Short Terms Loans and Advances**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	<b>Advances</b> <i>Advance Recoverable in cash or in kind or for value to be considered good</i>	-	
	Advance to suppliers	14,71,946	3,06,433
	Advance for Properties	1,95,11,366	83,11,366
	Other Advances	2,75,000	86,255
	<b>Sub Total (A)</b>	<b>2,12,58,312</b>	<b>87,04,054</b>
	-	-	
	Other Deposits	12,50,000	2,50,000
	<b>Sub Total (B)</b>	<b>12,50,000</b>	<b>2,50,000</b>
	<b>Total [ A + B ]</b>	<b>2,25,08,312</b>	<b>89,54,054</b>

**15) Other Current Asset**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Balance with Revenue Authorities (Indirect Taxes)	4,21,745	3,25,449
2	Prepaid Expenses	27,344	45,520

3	Advance Corporate tax	96,340	-
	<b>Total in `</b>	<b>5,45,429</b>	<b>3,70,969</b>

**16) Other Income**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Interest Received	52,10,746	45,06,164
2	Rent Received	1,20,000	1,20,000
4	Miscellaneous Income	15,748	96
	<b>Total in `</b>	<b>53,46,494</b>	<b>46,26,260</b>

**17) Cost of Material Consumed**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
	Opening Stock	2,84,12,676	4,66,04,800
	Purchases Of Raw Materials And Stores	3,68,84,305	3,80,70,449
		<b>6,52,96,981</b>	<b>8,46,75,249</b>
	<u>Less: Closing Stock</u>	2,43,16,390	2,84,12,676
	-	<b>4,09,80,591</b>	<b>5,62,62,573</b>
	-		
	<b><u>Details of Raw Materials Consumed</u></b>		
	<u>Iron &amp; Steel</u>	4,09,80,591	5,62,62,573

**18) Change in Inventories**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
a)	Opening Stock of Stock in Trade, WIP & Finished Goods	2,62,717	12,57,050
b)	Closing Stock of Stock in Trade, WIP & Finished Goods	25,75,561	2,62,717

	<b>Total in `</b>	(23,12,844)	9,94,333
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**19) Employment Benefit Expenses**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Salaries ,Wages and bonus to employees	24,71,090	21,23,200
2	Directors Remuneration	3,00,000	-
3	Contibution to ESIC	57,714	72,643
4	Staff Welfare Expenses	2,71,182	1,93,864
	<b>Total in `</b>	<b>30,99,986</b>	<b>23,89,707</b>

**20) Financial Cost**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Bank OD Interest	1,28,430	5,862
2	Interest	67,248	4,92,554
	<b>Total in `</b>	<b>1,95,678</b>	<b>4,98,416</b>

**21) Other Administrative Expenses**

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1	Payment to Auditor		
	As Auditor	1,00,000	60,000
	For Taxation Matter	25,202	-
2	Custom Duty	13,42,695	14,90,093
3	Transportation,Octroi,Clearing & Forwading Expenses	18,41,221	23,11,411
4	Commission	-	54,500
5	Insurance Charges	60,687	38,376
6	Labour Charges	42,01,641	67,18,531

7	Foreign Exchange Fluctuation (Net)	6,93,829	14,10,968
8	Professional/Legal Charges	5,51,855	1,56,659
9	Power & Fuel Charges	1,40,618	1,13,516
10	Rent	10,67,916	
11	Rates & taxes	2,53,033	13,90,260
12	Repairs		5,41,462
	Plant & Machinery	1,17,769	
	Building	77,259	
	Others	1,18,343	
13	Travelling Expenses	1,29,951	2,31,580
14	Miscellaneous expenses	25,08,301	10,32,011
	<b>Total in `</b>	<b>1,32,30,320</b>	<b>1,55,49,367</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1: Preparation of Financial Statements:

#### (A) Basis of Presenting Financial Statements:

##### (I) Basis of Accounting:

The Company maintains its accounts on the accrual basis following the historical cost convention, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act,1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rule,2006 read with the General circular 15/2013 dated September 13,2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013 and the relevant provisions of the Companies Act,1956 read with the General Circular No. 1/19/2013 dated April 4,2014 of the Ministry of Corporate Affairs in respect of the relevant provisions/schedules/rules of the Companies Act,2013.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumption that affect the reported amounts of income and expenses of the period, the reported balances of the assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements.

The Accounting policies adopted in the presentation of financial statements are consistent with those of previous year.

##### (II) Classification of Assets and Liabilities

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956.

(III) Accounting Policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company

#### (B) **Summary of Significant Accounting Policies**

##### I) FIXED ASSETS:

##### Tangible Assets

Fixed Assets are stated at their original cost of acquisition and installation, less accumulated Depreciation, amortization and impairment loss, if any.

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates and other taxes (other than those subsequently recoverable from the tax authorities), any other direct attributable expenditure on making the assets ready to its intended use and other incidentals expenses.

**II) DEPRECIATION :**

- i. Depreciation has been provided on written down value basis as per the rates and methods explained under schedule XIV of the Companies Act, 1956.
- ii. The assets purchased or sold during the year has been depreciated on prorata basis as per the rates applicable to them.

**III) BORROWING COST:**

Borrowing cost are expensed as and when incurred.

**IV) INVENTORIES:**

Inventories are valued at the lower of cost and estimated net realizable value (except scrap/waste which are valued at net realisable value). The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition.

In case of raw materials, stores & spares and traded goods, cost (net of CENVAT/VAT credits wherever applicable) is determined on a First In First Out basis, also in case of work in process and finished goods, cost is determined on First In First Out basis.

**V) ACCOUNTING EXCISE DUTY, CENVAT AND VAT BENEFIT:**

Excise duty is chargeable on production but is payable on clearance of goods. Accordingly excise duty on the goods manufactured by the company is accounted for at the time of their clearance. Excise duty payable is adjusted against the CENVAT credits, to the extent it is available and balance duty is paid. CENVAT / VAT credit availed under the relevant provisions in respect of Raw material, packing materials, Fuels, Stores and spares, capital goods, etc is reduced from the relevant cost of purchases. Unutilized CENVAT balance at the year end is considered as advance excise duty.

**VI) REVENUE RECOGNITION:**

- i. Sales are stated at net of returns and sales tax. The Excise Duty relatable to sales is separately disclosed and deducted from sales. Sales revenue is recognised when risks and rewards of ownership of the goods have passed to the buyer.
- ii. Interest income is recognized on a time proportion basis taking into accounts the amount outstanding and the rate applicable.
- iii. Rent Revenue is recognized on accrual basis.
- iv. All other known incomes to the extent receivable and quantifiable till the date of finalization of account are accounted on accrual basis.

**VII) INVESTMENTS**

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary

**VIII) OPERATING LEASES**

Assets taken on lease under which, all the risks and rewards of the ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses in accordance with the respective lease agreements.

**IX) CUSTOM DUTY:**

The Liability on account of Custom Duty is recognized on clearance of the goods and paid on import of raw materials are added in the cost of raw material.

**X) FOREIGN EXCHANGE TRANSACTIONS:**

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii) All import payables at the year end are restated at the rate prevailing at the year end. The exchange difference arising there on has been recognized as income/expenses in the current year's Statement of Profit and Loss.
- iii) Monetary Assets & Liabilities denominated in Foreign Currency are translated at year end exchange rates and the Profit/Loss so determined are recognized in the Statement of Profit and Loss.

**XI) EMPLOYEE BENEFITS :****Short-term employee benefit:**

Short Term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

**Long-term employee benefit:**

- i. No provision has been considered in accounts towards future payment of gratuity to the employees as the same is proposed to be accounted on cash basis. No provision has been made towards accrued leave wages which is continued to be accounted on cash basis.
- ii. The company has adopted PAY-AS-YOU-GO method for payment of other retirement benefits if any payable to the employees.

**XII) EARNING PER SHARE:**

Basic earnings per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding

during the year. The average number of equity shares outstanding during the year is adjusted for event of fresh issue of equity shares if any.

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

**XIII) TAXES OF INCOME:**

- i. Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.
- ii. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**XIV) IMPAIRMENT OF ASSETS:**

As at each Balance Sheet date, the carrying amount of the assets is tested for impairment so as to determine

- a. the provision for impairment loss, if any; and
- b. reversal of impairment loss recognized in previous periods, if any,

Impairment loss is recognized when the carrying amount of an asset exceed its recoverable amount. Recoverable amount is determined:

- a. in the case of an individual asset, at the higher of the net selling price and the value in use;
- b. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

**XV) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate



required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are clearly disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

#### **NOTES Forming part of the Financial Statements**

#### **22) CONTINGENT LIABILITIES:**

In respect of pending VAT Assessment for the year 2007-08,10-11 to 2012-13, the liabilities of VAT Tax including liabilities for penalty / interest has remained to be ascertained. However, according to information and explanations given to us, the following dues of VAT, has not been deposited by the Company on account of disputes

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
MVAT Act'2002	VAT	` 2,12,295	Assessment Year 2009-10	Dy Comm. of Sale Tax Mumbai

#### **23) RELATED PARTY DISCLOSURES:**

List of related parties with whom transactions have taken place during the current accounting year and relationship

##### **1. Names of Related Parties :**

- a. Enterprises significantly influenced:  
by key management personnel M/s Chhaya Impex
- b. Key Management Personnel: Mr. Ketan H Mehta
- c. Relatives of Key Management Personnel Mrs. Chhaya K Mehta

##### **2. Aggregated Related Party Transactions**

Particulars	Enterprises Significantly Influenced	Key Management Personnel	Relatives of Key Management
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	by Key Management Personnel				Personnel	
	<u>2013-14</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2012-13</u>
Purchases/Labour charges made during the year	48,62,953	47,30,218	--	--	--	--
Sales made during the year	25,10,400	--	--	--	--	--
Remuneration Paid	--	--	3,00,000	--	--	--
Rent Paid	--	--	1,80,000	1,20,000	--	--
Interest Paid	--	--	-	2,89,726	--	1,59,883
Balance in Current Liabilities	--	1,27,919	32,500	47,60,753	--	12,06,995

**24) EARNING PER SHARE:**

Computation of both basic and diluted earning per share of `10/- each

	<u>31/03/2014</u>	<u>31/03/2013</u>
a) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	`47,19,725	`36,21,101
b) Number of Equity Shares for basis and diluted earning per share computation	52,75,200	52,75,200
c) Basic and diluted earning per share of `10/- per share	` 0.89	` 0.69

**25) DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES:**

The company has put in place a suitable system for identifying the vendors coming under the purview of the Micro, Small and Medium Enterprises Development Act, 2006. Since the company has not received any information in this regard, from the vendors, disclosure relating to amounts unpaid as at the yearend together with interest paid / payable under this Act could not be ascertained.

**26)** The Company has not made provision for gratuity as per AS 15 "Employee Benefits". No provision has been considered in accounts towards future payment of gratuity to the employees as the same is proposed to be accounted on cash basis. No provision has been made towards accrued leave wages which is continued to be accounted on cash basis

- 27) The value of closing stock of raw materials, finished goods and semi finished goods and other inventories has been brought into books on the basis of inventories taken, valued and certified by the director.
- 28) Balance Sundry Debtors, Sundry Creditors and Customer Advances, Advance to suppliers, Loans, Advances and Deposits are subject to Confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statement on such reconciliation / adjustments.
- 29) In the opinion of the Board , the current assets, loans and advance are approximately of the valued stated, if realized in the ordinary course of business. The provision of depreciation and all known liabilities are adequate and not in excess of amount reasonably necessary.

30) **CIF VALUE OF IMPORT:**

	<u>31/03/2014</u>	<u>31/03/2013</u>
Raw Material	` 1,25,70,948	` 1,87,50,995
Capital Goods	Nil	Nil
Earning in Foreign Currency	Nil	Nil
Expenditure in foreign currency		3,23,55,281
	`1,84,90,885	

31) <b><u>CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIAL, STORES AND CONSUMBLE:</u></b>	<u>31/03/2014</u>		<u>31/03/2013</u>	
		<u>%</u>		<u>%</u>
<b>Raw Material Consumed</b>				
Imported	` 1,40,60,551	34.31	` 3,71,70,509	69.13
Indigenous	` 2,69,20,040	65.69	` 1,66,02,731	30.87
<b>Total</b>	<b>`4,09,80,591</b>	<b>100.00</b>	<b>`5,37,73,240</b>	<b>100.00</b>

- 32) Previous year's figures have been regrouped/ recast and rearranged whenever considered necessary.

These are the notes referred to in our report.

As Per Our Report Even Date Attached

For **Uday D. Kachare & Co.**

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

**AMBA ENTERPRISES LTD.**

Firm Registration No.104513w

**Uday. D. Kachare**

Proprietor  
DIRECTOR

DIRECTOR

Director

Membership No. 38046

**Place :** Mumbai

**Date :** 10/05/2014