

## Corporate Governance Report

Corporate Governance is creation and enhancing long- term sustainable value for the stakeholders through ethically driven business process. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all the stakeholders comprising regulators, employees, customers, vendors, investors and society at large.

The Company has adopted Code of Conduct for its employees and directors. The Company's Corporate Governance Policy, code of conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices are well laid as per the applicable provisions of Companies Act, 2013.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as applicable, with regard to corporate governance.

### **BOARD OF DIRECTORS**

As on March 31, 2020 the Company has 5 (Five) Directors, out of 5 Directors, 3 are Non - Executive and Independent Directors. The profile of Directors is available on Company website. The Composition of the Board is in conformity with Regulation 17 of the SEBI regulations read with Section 149 of the Act.

None of the Directors on the Board hold Directorships in more than 10 public Companies. Further none of them is a member in more than 10 committees or chairman of more than 5 committees across all the public companies in which he is a Director. Necessary disclosures regarding the committee positions in other public Companies as on March, 2020 have been made by the Directors. None of the Directors are related to each other.

Independent Directors are non-executive directors as defined under regulation 16(1)(b) of the SEBI (LODR) regulation, 2015 read with section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the act. All the independent directors have confirmed that they meet the criteria of independent mentioned under regulation 16(1)(b) of SEBI listing regulations read with section 149(6) of the Act.

During the financial year 2019-20, 9 (Nine) board meetings were held on 20.04.2019, 27.05.2019, 13.08.2019, 28.08.2019, 30.10.2019, 14.11.2019, 29.11.2019, 27.01.2020 and 05.02.2020 The gap between the two board meetings did not exceed 120 days.

For the purpose of determination of limit of board committees, chairperson ship and membership of audit committee and stakeholder relationship committee has been consider as per regulation 26(1)(b) of SEBI listing regulations.

| Name of the Director         | Category                               | No. of Board meetings attended during the year 2019-20 | Whether attend last AGM held on 30 <sup>th</sup> September, 2019 | No. of Directorship held in other public companies |   | No. of committee position held in other public companies. |   |
|------------------------------|----------------------------------------|--------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------|---|-----------------------------------------------------------|---|
| Mr. Ketan Harilal Mehta      | Managing Director (Executive Director) | 9                                                      | Yes                                                              | -                                                  | - | -                                                         | - |
| Mr. Dhir Haresh Mehta        | Non-executive (Independent Director)   | 9                                                      | Yes                                                              | -                                                  | - | -                                                         | - |
| Mrs. Sarika Satish Khandre   | Executive Director                     | 9                                                      | Yes                                                              | -                                                  | - | -                                                         | - |
| Mr. Atul Mohanlal Thakkar    | Non-executive (Independent Director)   | 9                                                      | Yes                                                              | -                                                  | - | -                                                         | - |
| Mr. Dharendra Popatlal Mehta | Non-executive (Independent Director)   | 9                                                      | Yes                                                              | -                                                  | - | -                                                         | - |

During the year 2019-2020, information as mentioned in part A of schedule II of SEBI listing regulations, has been placed before the board for its consideration.

The terms and conditions of appointment of Independent Director, familiarization programme are available on Company website.

Details of equity shares of the Company held by directors as on 31st March, 2020 are given below:

| Name            | Category          | No. of Shares held |
|-----------------|-------------------|--------------------|
| Mr. Ketan Mehta | Managing Director | 3551251            |

No Director is related to any other Director on the Board in terms of the definition of relative given under the Companies Act, 2013. A brief profile of the Director offering himself for re-appointment at the Annual General Meeting is provided in the annexure annexed to the notice convening the Annual General Meeting for the year 2020.

#### AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee with all its members being Non-Executive Directors, to oversee the accounting and financial governance of the Company. The Committee acts as a link between the management, statutory auditors and the Board of Directors. The Audit Committee met 9 (Nine) times during the year 2019-2020 on 20.04.2019, 27.05.2019, 13.08.2019, 28.08.2019, 30.10.2019, 14.11.2019, 29.11.2019, 27.01.2020 and 05.02.2020 Details of Committee meetings held during the year ended 31<sup>st</sup> March, 2020 and attendance of members are as under:

| Sr. No. | Name                     | Designation       | Category                             | No. of Meetings |          |
|---------|--------------------------|-------------------|--------------------------------------|-----------------|----------|
|         |                          |                   |                                      | Held            | Attended |
| 1       | Dhirendra Popatlal Mehta | Chairman & Member | Non-Executive (Independent Director) | 9               | 9        |
| 2       | Atul Mohanlal Thakkar    | Member            | Non-Executive (Independent Director) | 9               | 9        |
| 3       | Ketan Harilal Mehta      | Member            | Executive Director                   | 9               | 9        |

The role and terms of reference of the Audit Committee covers the areas mentioned in Part C of Schedule II read with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013, as amended from time to time, which inter alia includes:

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;

8. monitoring the end use of funds raised through public offers and related matters.

## NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee at the Board level with the powers and roles that are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations. During the year under review, the Committee met 9 (Nine) times on 20.04.2019, 27.05.2019, 13.08.2019, 28.08.2019, 30.10.2019, 14.11.2019, 29.11.2019, 27.01.2020 and 05.02.2020 Details of attendance by the Committee members are as under:

| Sr. No. | Name                     | Designation       | Category                             | No. of Meetings |   |
|---------|--------------------------|-------------------|--------------------------------------|-----------------|---|
| 1       | Dhirendra Popatlal Mehta | Chairman & Member | Non-Executive (Independent Director) | 9               | 9 |
| 2       | Atul Mohanlal Thakkar    | Member            | Non-Executive (Independent Director) | 9               | 9 |
| 3       | Dhir Mehta               | Member            | Non-Executive (Independent Director) | 9               | 9 |

The terms of reference of the Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

### **Performance Evaluation of Independent Directors:**

The Performance Evaluation of Independent Directors was done by the entire Board of Directors excluding the director being evaluated. The evaluation questionnaire form in respect of each independent director was filled up by the directors. The independent directors were evaluated on the basis of criteria such as skills, knowledge, discharge of duties, level of participation in the meetings etc.

### **Nomination & Remuneration Policy**

The Company has a credible and transparent policy in determining and accounting for the remuneration of Directors. The remuneration policy is aimed at attracting and retaining high calibre talent. Executive Directors are entitled for the remuneration by way of salary and commission not to exceed limits prescribed under the

Companies Act, 2013 read with Schedule V of the said Act. The Managing Director is appointed for a period of 5 years w.e.f. 25<sup>th</sup> July, 2016. The details of remuneration paid to Managing Director during the year ended 31st March, 2020, have been provided under Notes on Accounts. Remuneration to Directors as given in Schedule V of Part C Except for drawing remuneration, none of the Directors have any other materially significant related party transactions, pecuniary relationship or transaction with the Company.

No compensation is paid to Non-Executive Directors except sitting fees. No sitting fee is paid to the Executive Director for attending the board meetings.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

In accordance with Section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, the Company has constituted Stakeholders Relationship Committee to consider transfer of shares and resolve the grievances of security holders of the company including complaints related to transfer of shares, non - receipt of dividends, interest, non-receipt of balance sheet etc. During the year under review, the Committee met 9 (Nine) times, on 28.04.2019, 27.05.2019, 13.08.2019, 28.08.2019, 30.10.2019, 14.11.2019, 29.11.2019, 27.01.2020 and 05.02.2020 details of attendance by the Committee members are as under:

| Sr. No. | Name                | Designation       | Category                             | No. of Meetings |   |
|---------|---------------------|-------------------|--------------------------------------|-----------------|---|
| 1       | Mr. Dhirendra Mehta | Chairman & Member | Non-Executive (Independent Director) | 9               | 9 |
| 2       | Mr. Ketan Mehta     | Member            | Executive                            | 9               | 9 |
| 3       | Mr. Dhir Mehta      | Member            | Non-Executive (Independent Director) | 9               | 9 |

Ms. Monika Sharma has appointed as a Company Secretary and Compliance officer of the Company w.e.f. 20<sup>th</sup> April, 2019. Mrs. Sarika Bhise has also been appointed as Chief Financial Officer of the company w.e.f 20<sup>th</sup> April, 2019.

During the year ended March 31, 2020 the Company has not received any complaint from investors. Status of Investor complaints received during the year under review is as follows:

| Particulars       | Pending as on 1st April, 2019 | Received during the year | Disposed during the year | Pending as on 31st March, 2020 |
|-------------------|-------------------------------|--------------------------|--------------------------|--------------------------------|
| No. of Complaints | Nil                           | Nil                      | Nil                      | Nil                            |

#### **RISK MANAGEMENT COMMITTEE**

Pursuant to Regulation 21 (5) of the SEBI (LODR) Regulations, it is not mandatory for the Company to constitute Risk Management Committee. The Company has formulated and adopted Risk Management Policy to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The Risk Management Policy is available on the website of the Company [www.ambaltd.com](http://www.ambaltd.com).

#### **SUBSIDIARY COMPANY**

During the year under review, the Company has no any subsidiary company.

#### **DISCLOSURES**

The Board reviews the risk assessment and minimization procedure from time to time. The risk management issues are discussed in detail in the report of Management Discussion and Analysis. The Management Discussion and Analysis Report is prepared in accordance with the requirements laid out in Schedule V of the SEBI (LODR) Regulations.

#### **ELECTRONIC SERVICE OF DOCUMENTS TO MEMBERS AT THE REGISTERED EMAIL ADDRESS**

As a responsible corporate citizen, your Company has been continuously supporting the "Green Initiatives "taken by the Ministry of Corporate Affairs, Government of India (MCA) and Securities and Exchange Board of India (SEBI). Accordingly, in respect of members who have registered their email addresses, the Company have been dispatching all documents vide electronic form.

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rules provides that advance

opportunity should be given at least once in a financial year to the members for registering their email address and changes therein, as may be applicable.

Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents.

To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/updated from time to time. We wish to reiterate that members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and members holding shares in physical form have to write to our RTA, M/s Purva Shareregistry Private Limited at their specified address, so as to update their registered email address from time to time.

Please note that the Annual Report of the Company will also be available on the Company's website [www.ambaltd.com](http://www.ambaltd.com) for viewing/downloading. However, in case you do desire to receive the Annual Report in physical form, you are requested to inform us by sending an email to [ambaltd@gmail.com](mailto:ambaltd@gmail.com) indicating your decision. You will be entitled to receive a copy of the annual report at free of cost. Physical copies of the Annual Report will also be available at our Registered Office in Mumbai for inspection during office hours. Physical copies will be sent to those shareholders who do not have valid e-mail address.

## **MANAGING DIRECTOR AND CFO CERTIFICATION**

Certificate on Financial Statements from Mr. Ketan Mehta, Managing Director and Mrs. Sarika Bhise, Chief financial officer of the Company in terms of Regulation 17(8) of the SEBI (LODR) Regulations entered into with the BSE Limited was placed before the Board of Directors of the Company at their meeting held on 30<sup>th</sup> June 2020

## **AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate from M/s. SARK & Associates, Company Secretaries in terms of Part E of Schedule V of the SEBI (LODR) Regulations is attached and forms part of this report.

## **OTHER DISCLOSURES**

### **Materially significant related party transactions**

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. A comprehensive list of related party transactions as required by Indian Accounting Standard (IAS) issued by the Institute of Chartered Accountants of India, forms part of Note no. 32 of Notes to Financial Statements in the Annual Report.

There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. There are no material pecuniary transactions with any Non-Executive as well as Independent Directors of the Company that requires a separate disclosure. Pursuant to Regulation 23 of the SEBI (LODR) Regulations the Company has formulated policy on Materiality of Related Party Transactions and the same is available on website of the Company [www.ambaltd.com](http://www.ambaltd.com).

### **DETAILS OF NON-COMPLIANCE**

The Company has complied with the requirements of the SEBI (LODR) Regulations as well as the regulations/guidelines prescribed by the Securities and Exchange Board of India. There has been no instance of non-compliance by the Company or no penalties were imposed on the Company by the BSE Limited or SEBI or any other statutory authority on any matter related to capital market during the last three years.

### **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

Your Company's Whistle Blower Policy is in line with the provisions of the Sub-section 9 and 10 of Section 177 of the Companies Act and Regulation 22 of the SEBI LODR Regulations. The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the employees to bring to the attention of the management any issue which is perceived to be in violation of illegal, unethical behaviour or in conflict with the fundamental business principles of the Company. The employees are encouraged to raise any of their concerns by way of whistle blowing and none of the employees have been denied access to the Audit Committee. All cases registered under the Code of Business Principles and the Whistle Blower Policy of the Company, are reported to the members of

Audit Committee for their review. The Whistle Blower Policy is available on the website of the Company [www.ambaltd.com](http://www.ambaltd.com).

#### **DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT /UNCLAIMED SUSPENSE ACCOUNT**

The Company does not have any shares lying in its Demat Suspense Account / Unclaimed Suspense Account. All mandatory requirements as per Chapter IV of the Listing Regulations have been complied with by the Company.

#### **GENERAL BODY MEETINGS**

##### **Location and time of Pervious three AGMs held**

| <b>Year ended<br/>31st March</b> | <b>Date of AGM</b> | <b>Time of AGM</b> | <b>Venue</b>                                                                                                                 |
|----------------------------------|--------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------|
| 2019                             | 30.09.2019         | 10.00 A.M          | Thathai Bhatia hall no. 2, Shankar Lane, Near Fly Over, Kandivali West, Mumbai - 400067                                      |
| 2018                             | 28.09.2018         | 10.00 A.M          | Thathai Bhatia hall no. 2, Shankar Lane, Near Fly Over, Kandivali West, Mumbai - 400067                                      |
| 2017                             | 25.09.2017         | 4.00 P.M.          | Sai Krupa Banquet, Mhatre wadi, Behind Soni Tower, opp. Aditya Institute, Near Kora Kendra, Borivali (West), Mumbai - 400092 |

#### **Means of communications**

Quarterly/annual results are published in English & Regional Language. All vital information relating to the Company viz. financial results, annual reports, shareholding patterns, press releases, information on new developments and business opportunities are available on the Company's website [www.ambaltd.com](http://www.ambaltd.com) and the copies of the same are also sent to BSE Ltd. Shareholders information forms part of the Annual Report.

## GENERAL SHAREHOLDER INFORMATION

|                                                                 |                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AGM: Date and Time                                              | Wednesday, 30 <sup>th</sup> September, 2020 at 11.00 A.M.                                                                                                                                                                                                                                                                                                               |
| Financial Year 1 <sup>st</sup> April to 31 <sup>st</sup> March  |                                                                                                                                                                                                                                                                                                                                                                         |
| - Financial reporting for the quarter ending June 30, 2019      | On or before August 14, 2019                                                                                                                                                                                                                                                                                                                                            |
| - Financial reporting for the quarter ending September 30, 2019 | On or before November 14, 2019                                                                                                                                                                                                                                                                                                                                          |
| - Financial reporting for the quarter ending December 31, 2019  | On or before February 14, 2020                                                                                                                                                                                                                                                                                                                                          |
| - Financial reporting for the year ending March 31, 2020        | On or before July 30, 2020 (Extended as per SEBI Circular)                                                                                                                                                                                                                                                                                                              |
| Date of Book Closure                                            | 24 <sup>th</sup> September, 2020 to 30 <sup>th</sup> September, 2020 (both days inclusive)                                                                                                                                                                                                                                                                              |
| Dividend Payment Date                                           | N.A.                                                                                                                                                                                                                                                                                                                                                                    |
| Listing on Stock Exchanges and Address                          | BSE Limited<br>PJ Towers, Dalal Street, Mumbai 400 001                                                                                                                                                                                                                                                                                                                  |
| Stock Code                                                      | Code - 539196                                                                                                                                                                                                                                                                                                                                                           |
| Listing fees                                                    | The Listing fees paid to the BSE for the financial year 2019-20                                                                                                                                                                                                                                                                                                         |
| Market Price data                                               | The Company's Shares are frequently traded                                                                                                                                                                                                                                                                                                                              |
| Registrar and Share transfer agents                             | Purva Shareregistry Private Limited<br>Address : Unit No. 9, Shiv Shakti Industrial Estate, J R Boricha Marg, Lower Parel (East), Mumbai - 400011                                                                                                                                                                                                                       |
| Share Transfer System                                           | Shares transfers in physical form are registered and returned within 15 days of lodgment, if documents are clear in all respects and demat request are normally confirmed within prescribed time from date of the receipt. During the year, the Company has not received any transfer of shares in physical form.                                                       |
| SEBI Complaints Redress System (SCORES)                         | The investors' complaints are also being processed through the centralized web base complaint redressal system. The salient features of SCORES are availability of centralized data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints. |

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dematerialization of shares and Liquidity        | The Company's equity shares have been admitted in electronic/dematerialized mode by both Central Depository Services (India) Limited and National Securities Depository Limited under the International Securities Identification Number (ISIN) INE829P01020. This number is required to be mentioned in each correspondence relating to the dematerialization of shares of the Company.                                                                        |
| E-Voting facility to members                     | In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depositories (India) Limited (NSDL). |
| Plant Locations                                  | S.No., 132, H.no.1/4/1, Premraj Industrial Estate, Shed No.B-2,3,4, Dalviwadi, Nanded Phata, Pune-411041                                                                                                                                                                                                                                                                                                                                                        |
| Registered Office and Address for correspondence | Amba Enterprises Limited<br>Gala No. 430, 4 <sup>th</sup> Floor, Blue Rose Industrial Estate, Western Express Highway, Near Metro, Borivali (E), Mumbai - 400066                                                                                                                                                                                                                                                                                                |

#### Shareholding Pattern as on March 31, 2020

| Category                        | No. of Shares held | Percentage of Shareholding |
|---------------------------------|--------------------|----------------------------|
| <b>Promoter's holding</b>       |                    |                            |
| - Indian Promoters              | 4871251            | 38.48                      |
| - Foreign Promoters             | -                  | -                          |
| <b>Non-Promoters Holding</b>    |                    |                            |
| Foreign Institutional Investors | -                  | -                          |
| Bodies Corporate                | 106674             | 0.84                       |
| Indian Public                   | 6535865            | 51.62                      |
| Clearing Member                 | 1958               | 0.02                       |
| Non-Resident Indians            | 916163             | 7.24                       |
| HUF                             | 228569             | 1.80                       |
| <b>Total</b>                    | <b>1,26,60,480</b> | <b>100</b>                 |

The Company has complied with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

### **Discretionary Disclosures**

The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non mandatory requirements to the extent mentioned below:

- a. Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspaper and are also posted on the Company's website, the same are not being sent separately to the shareholders.
- b. Audit Qualifications: The notes on accounts referred to in the Auditors' Report are self-explanatory and do not require further clarifications by the Board.
- c. Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee.