

## ANNEXURE TO DIRECTOR'S REPORT

### Corporate Governance Report

#### a) Company's philosophy on code of Governance

Amba Enterprises Limited believes that good corporate governance is essential to achieve long term goals and also to enhance the shareholders value. The Company is engaged in the business of manufacturing transformer and laminates and now believes to create value that can be sustained over a long term for all its shareholders, employees, customers, government and others.

#### a. Board of Directors :

The Board of your Company consists of four Directors including non-executive independent Director. All the members of the Board are eminent with sound knowledge and background in different field.

The Board is headed by Shri Ketan Mehta.

#### Board Meetings and procedure

The Board of Directors of your Company met 6 times during the year on 28.04.2011, 18.06.2011, 22.08.2011, 15.10.2011, 23.12.2011 and 02.02.2012. The details pertaining to the name and category of Directors on the Board, their attendance at the Board Meetings held during the financial year 2011 – 12 and at the last Annual General Meeting of the Company and the no. of Directorship on the Board or membership/chairmanship in committee held by them across all the Companies are as under :

Name of Directors	Position / Status	Attended Board Meeting	Last AGM	No. of other Directorship	Committee Membership/ Chairmanship
Mr. Ketan Mehta	ENI	6	Y	2	-
Mrs. Chhaya Mehta*	ENI	4	Y	-	-
Mr. Vinay Mehta	NEI	6	Y	-	-
Mr. Dinesh Sanjalia	NEI	6	Y	-	-
Mr. Rajendra Sanghvi**	NEI	1	Y	-	-

ENI = Executive Not Independent, NEI = Non-executive Independent Director

\* Resigned on 2<sup>nd</sup> February, 2012

\*\* Appointed on 2<sup>nd</sup> February, 2012

#### b. 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 28.04.2011, 18.06.2011, 15.10.2011 and 02.02.2012, all the members had attended all meetings. The role and terms of reference of the audit committee

covers the matter specified for audit committees under clause 49 of the listing agreement and provisions of Companies Act, 1956. The committee comprises of two Directors Non-executive and one member.

The Composition of Audit Committee is as under:

<b>S. No.</b>	<b>Name of the members</b>	<b>Status</b>	<b>Director Status</b>
1.	Vinay Mehta	Chairman	Non-Executive & Independent
2.	Ketan Mehta	Member	Executive & Not-Independent
3.	Dinesh Sanjalia	Member	Non-Executive & Independent

Terms of reference:

The terms of reference of this committee are wide enough covering the matters specified for Audit Committee under Clause 49 of the Listing Agreement as amended.

- Overseeing of the Company's financial reporting process and disclosure of financial information.
- Review of quarterly financial statement ensuring compliances with regulatory guidelines before submission to the Board
- Recommended appointment, removal of statutory auditors and payment of fees to them.
- Statement of significant related party transactions.

#### **c. Remuneration Committee**

The Board has not constituted any Remuneration Committee which is non mandatory however the details of remuneration paid to the Directors for the year 2011 - 12 are as under :-

Managerial Remuneration :

Salary	: Rs. 5,73,000/-
Commission	: -
Other Perquisite	: -
Total	: Rs. 5,73,000/-

#### **d. 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 31<sup>st</sup> March, 2012 there were no complaints pending and no share transfer pending for registration for more than 15 days as on the said date.

#### e. General Body Meeting

- i. Location and time where last three Annual general Meeting (AGMs) were held :

AGM held	Day, Date & Time	Venue
2010-2011	30.09.2011	A-103, Shilpin Bldg., Mahavir Nagar, Kandivali (West), Mumbai – 400067
2009-2010	30.09.2010	A-103, Shilpin Bldg., Mahavir Nagar, Kandivali (West), Mumbai – 400067
2008-2009	25.09.2009	- do -
2007-2008	25.09.2008	- do -

No special resolution were put through postal ballot last year and nor is there any proposal for this year.

- ii. Disclosures

There are no materially significant transactions with related parties, viz. Promoters, directors or the management, their subsidiaries or relatives conflicting with company's interests. However the necessary details are given in notes to accounts of the Company.

No penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

- iii. Means of Communication

The Company proposes to publish its quarterly results in the "Free Press Journal and Lokshakti" newspapers. The Company does not have any website for displaying results or official news.

Management Discussion and Analysis is a part of the Annual Report.

#### a) General Shareholders Information

- 1) AGM – Date, time and venue :

Date : 29<sup>th</sup> September, 2012

Time : 11.00 p.m.

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

- 2) Financial year ending : 31<sup>st</sup> March, 2012

- 3) AGM : 29<sup>th</sup> September, 2012

- 4) Date of book closure from 25<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012. (both days inclusive.)

- 5) Dividend payment date : not applicable since no dividend is recommended by the Board.
- 6) ISIN No. : NA
- 7) Reporting of Un-audited Financial Result : In respect of year 11 – 12  
Not Available
- 8) Listing on Stock Exchanges: Ahmedabad and Pune and Stock Exchanges.
- 9) Stock Code : The Stock Exchange, Ahmedabad - 03596  
The Stock Exchange, Pune -
- 10) Market Price Data – High/Low during the each month of the financial year 2011 – 2012 is not available since no trading takes place at stock exchange during the year.
- 11) Registrar & Share Transfer agent (RTA) : Amba Enterprises Ltd.  
(for physical & demat shares) A-103, Shilpin Bldg., Mahavir Nagar,  
Kandivali (West), Mumbai – 400067

Share Transfer System :- Share transfers are registered and returned within a period of 15 days except few transfer, from the date of receipt, if the documents are cleared in all respects by the Committee.

12) Distribution of shareholding as on 31.03.2012

Shareholding of Nominal Value	Shareholders No.	% of Total	Share Amount Rs.	% of Total
1 – 5000	60	61.86	15,90,000	3.12
5001- 10000	11	11.34	10,65,000	2.09
10001 - 20000	3	3.09	4,60,000	0.90
20001 – 30000	4	4.12	10,00,000	1.96
30001 – 40000	-	-	-	-
40001 – 50000	-	-	-	-
50001 – 100000	8	8.25	62,43,000	12.24
More than 100001	11	11.34	4,06,42,000	79.69
	97	100.00	5,10,00,000	100.00

13) Shareholding pattern as on 31.03.2012

Category	No. of Shares	% of Total
Director & their Relatives	15,93,200	31.24
Other Bodies Corporate	25,000	0.49
Public	30,75,300	60.30
NRI/ OCBs	406,500	7.97
<b>Total</b>	<b>51,00,000</b>	<b>100.00</b>

14) Dematerialisation of shares and liquidity: Nil share capital has been dematerialised as on 31<sup>st</sup> March, 2012.

15) The Company has not issued any GDRs/ADRs/Warrants. None of the instruments issued by the Company is pending for conversion into equity shares.

16) Site Location : Pune

17) Address for correspondence : A-103, Shilpin Bldg., Mahavir Nagar,  
Kandivali (West), Mumbai – 400067

**Compliance:**

This section of the report together with the information given under Management Discussion and Analysis and brief resume of Directors constituted a detailed report on Corporate Governance.

The Company has complied with Mandatory requirement of Corporate Governance. The Board would review implementation of Non – Mandatory Requirements of Corporate Governance Code in due course of time.

Auditors Certificates regarding compliances of conditions of corporate Governance is annexed to this report.

**For Amba Enterprises Limited**

**SD/-**

Place : Mumbai

Date : 04/09/2012

**Ketan Mehta  
Director**

**Declaration on Compliance of the Company's Code of Conduct:**

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company. They have affirmed compliance with the said code.

**For Amba Enterprises Limited**

Place : Mumbai  
Date : 04/09/2012

**SD/-  
Ketan Mehta  
Director**

## **CEO & CFO CERTIFICATION**

The Board of Directors  
Amba Enterprises Ltd.  
Mumbai

Re- Financial Statements for the year 2011-12 – Certification

We, Mr. Ketan Mehta, Director and Mr. Vinay Mehta, Director, on the basis of the review of the financial statements and the cash flow statement for the financial year ending March 31, 2012 and to the best of our knowledge and belief, thereby certify that: -

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended March 31, 2012 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
  - a) There have been no significant changes in the internal control over financial reporting during this year.
  - b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
  - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

**Ketan Mehta**  
**Director**

**Vinay Mehta**  
**Director**

Place: Mumbai  
Date: 04/09/2012

## **MANAGEMENT DISCUSSIONS AND ANALYSIS**

### **Industry Structure & Development**

High growth and development of the power sector in India is stimulating the demand for transformers. The initiatives undertaken by the Government of India is providing ample opportunities to the players in the industry to grow.

An analysis of the drivers explain the factors for growth of the industry including growth in power sector, need to replace old transformers, increasing housing projects and market potential for 765 kV transformer.

India has the fifth largest generation capacity in the world with an installed capacity of 152 GW as on 30 September 2009, which is about 4 percent of global power generation.

The average per capita consumption of electricity in India is estimated to be 704 kWh. However, this is fairly low when compared to that of some of the developed and emerging nations such US (~15,000 kWh) and China (~1,800 kWh). The world average stands at 2,300 kWh.

In order to provide availability of over 1000 units of per capita electricity by year 2012, it has been estimated that need-based capacity addition of more than 100,000 MW would be required. This has resulted in massive addition plans being proposed in the sub-sectors of Generation Transmission and Distribution.

### **Opportunities and Threats**

The Indian Transformer industry which is a mature industry and more than five decades old, manufactures all types of transformers and can very well meet the country's demand for transformers up to 800 KV now going up to 1200KV. The industry enjoys a good reputation in terms of quality, price and delivery in the domestic as well as overseas markets even in advanced countries.

Power generation in March 2010 grew by 8.3% (Y-o-Y) to 62,070 MW. In March 2010, thermal power and hydel power generation increased by a 7.3% and 16.6% respectively. FY10 recorded 6.6% growth in power generation to 771.55 billion kWh.

The major threats for this sector is slow down of power sector growth and reduction in prices beside key challenges include non-availability of CRGO and absence of adequate testing facilities along with higher bank / financial institutions interest rates are major threats for the industry. Further, the government policy for the sector is also play a vital role, beside any major changes or development by the Government in relation with its policy decision.

However, the Company is planning such a way that even do affected by such above threats but has come out with positive developments against such threats and has been successful in marketing its product demand in market.



### **Segmentwise Performance and reporting**

The Company is engaged in one sector hence the segment wise performance is not applicable. Financial Performance of the Company for the year under review has already covered under the Directors' Report.

### **Company's Outlook**

The Company engaged in manufacturing a wide array of efficient products. These have huge demand throughout India. The demand for our products has risen considerably over the last few years. An ever growing list of clients is clear indication of our immense popularity in the market. We can also provide need-specific customized products as per the specifications of customers. Our key objective is to become the top player in the industry and acquire a large market share through innovation and business expertise.

The raw materials used for fabrication our range of Electronic Products, Transformers Lamination, Strip Lamination and others are imported or alternatively we will buy from domestic market. Use of advanced machinery helps us gain high work efficiency, with minimum wastage of resources. The manufactured products are well tested on a number of parameters and then securely packed using sturdy packaging materials. These are then timely delivered to the clients as per given schedule.

### **Cautionary Statement**

Statements in this report describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.