

26th
Annual Report
2020 - 2021



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**



26TH ANNUAL GENERAL MEETING

WEDNESDAY 29TH, DECEMBER, 2021

At 11.00 A.M.

Shankar Towers, Power pet, Eluru,
West Godavari District, Andhra Pradesh - 534002

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AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

BOARD OF DIRECTORS

Ambica Krishna Ambica Ramachandra Rao Satyavathi Perla Sreedharan Venkatesan P Kishore Thandava Chunduru Anjaneya Swamy	Chairman & Managing Director Executive Director Women Director (WTD) Independent Director Independent Director Independent Director
Ambica Hanuma Alapati CFO	Uma Gayathri Company Secretary & Compliance Officer

CORPORATE INFORMATION

Registered office	Shankar Towers, Power Pet, West Godavari Dist, Andhra Pradesh - 534002
Admin office	Ambica Empire, 57, 100 FT Road, Vadapalani, Chennai
Factory	Satram Padu, Eluru, Duggirala, Eluru, West Godavari dist, Andhra Pradesh
Corporate identification number(CIN)	L24248AP1995PLC020077
Statutory Auditors	M/s. RAMASAMY KOTESWARA RAO & CO, LLP Chartered Accountants D.No.8-2-293/82/Jiii/573/M 1st Floor, Road No-82, Jubilee Hills Hyderabad – 500 096
Bankers	LIC Housing Finance Limited
Registrars & transfer agents	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad-500018
Listed at	National Stock Exchange of India Limited BSE Limited

BOARD COMMITTEES

AUDIT COMMITTEE		REMUNERATION COMMITTEE	
P. V.Sreedharan	- Chairman	P. V.Sreedharan	- Chairman
P. Kishore Thandava	- Member	P. Kishore Thandava	- Member
Chunduru Anjaneya Swamy	- Member	Chunduru Anjaneya Swamy	- Member
STAKEHOLDERS RELATIONSHIP COMMITTEE			
P. V.Sreedharan	- Chairman		
P. Kishore Thandava	- Member		
Chunduru Anjaneya Swamy	- Member		



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 26th Annual General Meeting (**AGM**) of the members of the Company will be held on **Wednesday 29th December, 2021** At 11.00 AM at Registered Office of the Company situated at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh - 534002 to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31st 2021, together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ambica Krishna (DIN: 00391898), who retires by rotation and being eligible offers himself for re-appointment as a director in the company.

SPECIAL BUSINESS

3. **APPROVAL FOR THE APPOINTMENT OF MR. AMBICA RAMACHANDRA RAO (DIN- 01678538) AS DIRECTOR OF THE COMPANY**

“RESOLVED THAT pursuant to the provisions of Section 161 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and all other applicable provisions, if any, of the Act Sri Ambica Ramachandra Rao, who was appointed as Additional Director by the Board with effect from 12th May, 2021 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act along with the deposit of requisite amount proposing the candidature of Ambica Ramachandra Rao for the office of Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.”

4. **APPROVAL FOR RE-APPOINTMENT AND REMUNERATION OF SMT. SATYAVATHI PERLA (DIN: 07141289) AS WHOLETIME DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, Schedule V and all other applicable provisions, if any, of Companies Act, 2013 and the rules made there under, (including and statutory modification(s) or re-enactment thereof for the time being in force) subject to such other approvals, consents as may be necessary, consent of the members be and is hereby accorded for the appointment of Smt. Satyavathi Perla (DIN: 07141289) As Whole time Director of the Company, for a period of 3 years with effect from 11th June, 2021 at consolidated remuneration not exceeding Rs. 18,00,000/- (Rs. Eighteen lakhs only) per annum upon the terms and conditions set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Smt. Satyavathi Perla.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year during the tenure of Smt. Satyavathi Perla as Whole time Director, the abovementioned remuneration would be paid as minimum remuneration subject to the provisions of Schedule V to the Companies Act, 2013 or any statutory enactment thereof.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby severally authorized to sign and file all the requisite e-form with the Registrar of Companies, to do all such acts, deeds, things, as may be necessary and incidental thereto.

5. **APPOINTMENT OF MR. AMBICA RAMACHANDRA RAO (DIN- 01678538) AS WHOLE-TIME DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any



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statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Ambica Ramachandra Rao (DIN: 01678538) as Whole time Director of the company for a period of 3 (three) years with effect from 12th May, 2021 at consolidated remuneration not exceeding Rs. 18,00,000/- (Rs. Eighteen lakhs only) per annum upon the terms and conditions set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. Ambica Ramachandra

Rao.

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year during the tenure of Mr. Ambica Ramachandra Rao as Whole time Director, the abovementioned remuneration would be paid as minimum remuneration subject to the provisions of Schedule V to the Companies Act, 2013 or any statutory enactment thereof.

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby severally authorized to sign and file all the requisite e-form with the Registrar of Companies, to do all such acts, deeds, things, as may be necessary and incidental thereto.

**For and on behalf of the Board
AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED**

Sd/-

Uma Gayathri

Company Secretary and Compliance officer

Place: Eluru

Date: 02.12.2021



NOTES TO MEMBERS:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/ Company.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 24th December, 2021, to Wednesday 29th December, 2021 (both day inclusive) for the purpose of 26th Annual General Meeting.
7. Members are requested to quote ledger folio/DP id/client id number in all their correspondence to avoid delay in communication.
8. Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. up to the date of the meeting.
9. Members/Proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.
10. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility.

11. VOTING THROUGH ELECTRONIC MEANS

- a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Service (India) Limited (CDSL):
- b. Commencement of e – voting: From 10.00 A.M. on Sunday 26th December, 2021 to 05.00 P.M on Tuesday, 28th December, 2021.
- c. E-voting shall not be allowed beyond 05.00 P.M. on Tuesday, 28th December, 2021. During the e-voting period, shareholders of the Company, holding shares either in physical form may cast their vote electronically.
- d. The login ID and password for e-voting along with process, manner and instructions for e-voting is being attached at the end of the Annual Report.
- e. The Company has appointed **Mr. Jineshwar Kumar Sankhala**, (M/s. P S Rao & Associates), Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No 3:

Sri Ambica Ramachandra Rao has 2 decades of experience in production of agarbathies and related products has good experience in handling day to day operation of the factory, was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 12th May, 2021.

The Company has received a notice in writing along with the deposit as required under Section 160 of the Companies Act, 2013 from one of its shareholders proposing the candidature of Sri Ambica Ramachandra Rao for the office of the Director of the Company whose office shall be determinable by retirement of Directors by rotation.

Pursuant to the provisions of Section 160 of the Companies Act, 2013 any such proposal needs to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your consideration and approval. Sri Ambica Ramachandra Rao shall be deemed to be interested / concerned in the aforesaid resolution.

Except as aforesaid, none of the Directors, Key Managerial Personnel and their relatives is interested in this resolution except to the extent of their shareholding in the Company.

Item No 4:

The Board of Directors of the Company in its meeting held on 12th May, 2021, has appointed Smt. Satyavathi Perla as Wholetime Director of the Company for a period of three (3) years w.e.f. 11th June, 2021 subject to the approval of members. Further, Smt. Satyavathi Perla was re-designated as Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

The present term of Smt. Satyavathi Perla as Wholetime Director of the Company will expire by efflux of time on 10th June 2024. The Board authorised the Nomination and Remuneration Committee to approve in the accordance with the provisions of Schedule V to the Companies Act, 2013.

The following additional detailed information as per Section - II of Schedule V is as follows:

General Information		
Nature of Industry	Agarbathies Division	
Date or expected date of commencement of commercial production	Existing Unit	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable	
Financial performance based on given indicators	Financial Year 2020-21 (Rs. in INR)	Financial Year 2019-20 (Rs. in INR)
Total Income (Net of Taxes)	14776.95	16846.38
Profit/loss before tax	-49.97	364.71
Net Profit After Taxation	273.57	426.40
Export performance and net foreign exchange collaborations	Not applicable	
Foreign investments or collaborations, if any	Not applicable	



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Information about the appointee	
Background details	More than 1 decades of experience in Production Purchase and marketing
Past remuneration	1,00,000 per month
Recognition or awards	None
Job profile and his suitability	Whole Time Director
Remuneration proposed	18,00,000 per Annam
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Minimal
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Existing Shareholder of the Company and Promoter.

Other Information	
Reasons of loss or inadequate profits	The inadequate profit is due to change slow down of Economy and other Business related risk
Steps taken or proposed to be taken for improvement	Measures already taken to improve the performance
Expected increase in productivity and profits in measurable terms	In the coming financial year

Pursuant to the provisions of section 196, 197 read with Schedule V to the Companies Act, 2013 the company needs to obtain the consent of its members by way of special resolution.

Hence, the Board recommends the resolution for your consideration and approval.

Smt. Satyavathi Perla shall be deemed to be interested / concerned in the aforesaid resolution.

Except as aforesaid, none of the Directors, Key Managerial Personnel and their relatives is interested in this resolution except to the extent of their shareholding in the Company.

Item No - 5 :

The Board of Directors of the Company in its meeting held on 12th May, 2021, has appointed Mr. Ambica Ramachandra Rao as Wholetime Director of the Company for a period of three (3) years w.e.f. 12th May, 2021 subject to the approval of members. Further, Mr. Ambica Ramachandra Rao was designated as Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

The present term of Mr. Ambica Ramachandra Rao as Wholetime Director of the Company will expire by efflux of time on 11th May 2024. The Board authorised the Nomination and Remuneration Committee to approve in the accordance with the provisions of Schedule V to the Companies Act, 2013.



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The following additional detailed information as per Section - II of Schedule V is as follows:

General Information		
Nature of Industry	Agarbathies Division	
Date or expected date of commencement of commercial production	Existing Unit	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable	
Financial performance based on given indicators	Financial Year 2020-21 (Rs. in INR)	Financial Year 2019-20 (Rs. in INR)
Total Income (Net of Taxes)	14776.95	16846.38
Profit/loss before tax	-49.97	364.71
Net Profit After Taxation	273.57	426.40
Export performance and net foreign exchange collaborations	Not applicable	
Foreign investments or collaborations, if any	Not applicable	
Information about the appointee		
Background details	More than 2 decades of experience in Production Purchase and marketing	
Past remuneration	1,50,000 per month	
Recognition or awards	None	
Job profile and his suitability	Whole Time Director	
Remuneration proposed	18,00,000 per Annam	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Minimal	
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Existing Shareholder of the Company and Promoter.	
Other Information		
Reasons of loss or inadequate profits	The inadequate profit is due to change slow down of Economy and other Business related risk	
Steps taken or proposed to be taken for improvement	Measures already taken to improve the performance	
Expected increase in productivity and profits in measurable terms	In the coming financial year	

Pursuant to the provisions of section 196, 197 read with Schedule V to the Companies Act, 2013 the company needs to obtain the consent of its members by way of special resolution.

Hence, the Board recommends the resolution for your consideration and approval.

Mr. Ambica Ramachandra Rao shall be deemed to be interested / concerned in the aforesaid resolution.

Except as aforesaid, none of the Directors, Key Managerial Personnel and their relatives is interested in this resolution except to the extent of their shareholding in the Company.