

28th

Annual Report

2022 - 2023



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**



28TH ANNUAL GENERAL MEETING
MONDAY, SEPTEMBER 25TH, 2023 at 11.00 AM
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 B V Subrahmanyeswarao Chunduru Anjaneya Swamy	Chairman & Managing Director Whole time Director Whole time Director Independent Director Independent Director Independent Director
Ambica Hanuma Alapati Uma Gayathri	CFO 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 “AURUM”, Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4 th & 5 th Floors, Jayabheri Enclave Phase - II Gachibowli, Hyderabad – 500 032.
Listed at	National Stock Exchange of India Limited BSE Limited

BOARD COMMITTEES

AUDIT COMMITTEE		REMUNERATION COMMITTEE	
P. V.Sreedharan	- Chairman	P. V.Sreedharan	- Chairman
B V Subrahmanyeswarao	- Member	B V Subrahmanyeswarao	- Member
Chunduru Anjaneya Swamy	- Member	Chunduru Anjaneya Swamy	- Member
STAKEHOLDERS RELATIONSHIP COMMITTEE			
P. V.Sreedharan	- Chairman		
B V Subrahmanyeswarao	- Member		
Chunduru Anjaneya Swamy	- Member		



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 28th Annual General Meeting (**AGM**) of the members of the Company will be held on **Monday, September 25th, 2023** 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 receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31st 2023, together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. Ambica Ramachandra Rao (DIN- 01678538), who retires by rotation and being eligible offers himself for re-appointment as a director of the company.

3. Appointment of Statutory Auditors:

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution for re-appointment of M/s. RAMASAMY KOTESWARA RAO & CO LLP, Chartered Accountants as the statutory Auditors of the Company:

“RESOLVED THAT pursuant to the provisions of Sections 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Ramasamy Koteswara Rao & Co LLP (FRN: 010396S/S200084) Chartered Accountants, Hyderabad be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting for a period of 5 years, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company.”

SPECIAL BUSINESS

4. Increase in The Borrowing Powers of The Company:

“To consider and if thought fit to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**”:

“RESOLVED THAT pursuant to the provisions of section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or any amendments or any substitution or reenactment thereof, if any, for the time being in force, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to borrow, from time to time as they may think fit, any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed shall not, at any time exceed the limit of Rs.200 Crore (Rupees Two Hundred Crores).”

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required in order to effect to this resolution.”

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

Sd/-

Uma Gayathri

Company Secretary and Compliance officer

Place: Eluru
Date : 12.08.2023



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 Tuesday 19th September, 2023, to Monday 25th September, 2023 (both day inclusive) for the purpose of 28th 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 holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in demat form must send the advise about the change in their address to their respective Depository Participants only and not to the company or Company's STA.
10. Members holding shares in physical form are informed to furnish their bank account details to the STA to have printed the same on the dividend warrants so as to avoid any possible fraudulent encashment / misuse of dividend warrants by others.
11. Members/Proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.
12. 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.
13. The facility for voting through poll shall be made available at the meeting and the members attending the meeting who have not already cast their vote electronically through e-voting shall be able to exercise their voting right at the Meeting.
14. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. In case you are holding Company's shares in physical form, please inform Company's STA viz. M/s. Venture Capital and Corporate



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Investments Private Limited Gachibowli, Hyderabad-500032, by enclosing a photocopy of blank cancelled cheque of your bank account.

16. M/s. Venture capital and corporate investments private limited Gachibowli, Hyderabad-500032, Phones: 040-23818475 Email: info@vccilindia.com is the Registrar & Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
17. The annual report for the financial year 2022-23 is being sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e., www.ambicaagarbathies.com. The Notice of the Company can also be accessed from the website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2022-23, free of cost, upon sending a request to the Compliance officer at Shankar Towers Powerpet, Eluru - 534002. Andhra Pradesh.
18. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company i.e., Venture Capital and Corporate Investments Private Limited.
19. 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. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
20. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015, and Secretarial Standard on General Meetings (SS-2), with respect to director seeking appointment/re-appointment at the AGM, a brief profile of the Directors proposed to be appointed, re-appointed, is annexed to this notice.
21. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015, Brief profile of the Auditors proposed to be appointed, re-appointed is annexed to this notice.
22. The Proxy Form and the Attendance slip are enclosed with this notice.



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

Item No 3 :

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

Members of the Company at the Twenty Second Annual General Meeting held on 27th June, 2018 approved the appointment of M/s. Ramasamy Koteswara Rao & Co LLP., Chartered Accountants, Hyderabad (Firm Registration No. 010396S/S200084) as the Auditors of the Company to audit the Accounts for term of 5 (five) consecutive years (i.e 2018-19 to 2022-23). M/s. Ramasamy Koteswara Rao & Co LLP., Chartered Accountants will complete their present term.

The Board of Directors of the Company ("the Board"), considering the experience and expertise and on the recommendation of the Audit Committee, proposed to the Members of the Company appointment of M/s. Ramasamy Koteswara Rao & Co LLP., Chartered Accountants, Hyderabad (Registration No. 010396S/S200084), as Auditors of the Company, for a Second term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 33rd Annual General Meeting from this Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

M/s. Ramasamy Koteswara Rao & Co LLP, Chartered Accountants, Hyderabad have consented to their appointment as Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. Statement / Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and additional information as required under the Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

Item No - 4 :

The Board of Director are glad to inform you that the Company is proposed to expand its scale of business operations of the Company in this regard the Company may need additional funds in the form of working capital assistance and term loans or any other form of credit facilities.

Pursuant to the provisions of the Section 180 (1) (c) of the Companies Act, 2013 the Board of Directors cannot, except with the consent of the Company in a general meeting by means of a special resolution, borrow moneys which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), are in excess of the aggregate of the paid up capital of the Company and its free reserves (i.e., reserves not set apart for any specific purpose).

The proposed borrowings of the Company, if necessary, be secured by way of charge / mortgage / hypothecation on the Company's assets in favor of the security holders or any other lender(s). As the documents to be executed between the security holders / trustees for the holders of the said securities and the Company may contain the power to take over the management of the Company in certain events, it is necessary to pass a special resolution under section 180 (1) (a) of the Companies Act, 2013 for creation of charges / mortgages / hypothecations for an amount not exceeding the borrowing limit of Rs.200 Crores.

Hence the approval of the Members is sought by way of a special resolution for the aforesaid limits. The Resolutions proposed under item no. 4 are in the interest of the Company and the Board recommends the Resolutions for acceptance by the Members.

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

Place: Eluru
Date : 12.08.2023

**Sd/-
Uma Gayathri**
Company Secretary and Compliance officer



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings)

Information in respect of directors seeking appointment/re-appointment

Name of the Directors	Ambica Ramachandra Rao
<i>Date of first appointment</i>	30/11/2001
<i>Date of birth and age</i>	26/02/1971 and 52 years
<i>Expertise in specific functional areas</i>	More than 2 decades of experience in Purchase and Marketing of Agarbathies.
<i>Educational qualification</i>	<i>Under Graduate</i>
<i>Chairman/member of the committees of Board of Directors of company</i>	Nil
<i>List of Directorships Committee Chairmanship, Membership held in other companies as on date</i>	Nil
<i>Details of Remuneration sought to be paid and the remuneration last drawn by such person</i>	15,60,000
<i>Shareholding in the Company as on 31.03.2023</i>	14,64,950 shares
<i>Relationship between Directors inter-se/ Manager and KMPs</i>	Promoters and Executive Directors are Belong to one Family
<i>Number of Meetings of the Board attended during the year</i>	5/5



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the 28th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2023.

1. FINANCIAL RESULT

(Amounts in Lakhs)

PARTICULARS	31.03.2023	31.03.2022
Revenue from operations	11723.61	11,633.47
Other Income	535.93	123.44
Total Income	12259.54	11756.91
Expenses	11954.21	11696.97
Net profit before tax	305.33	59.95
Deffered Tax	52.52	-180.13
Profit after tax	252.81	240.08

2. STATE OF COMPANY'S AFFAIR:

During the financial year under review the overall performance of the Company was good and the overall turnover of the Company was **Rs. 11723.61** Lakhs as compare to **Rs. 11633.47** Lakhs Previous year and the Net Profit **Rs. 252.81** Lakhs as compare to **Rs. 240.08** Lakhs in previous year.

3. TRANSFER TO RESERVES

The Board of Directors of the Company has not recommended for transfer of any amount to the General Reserve for the Financial Year ended March 31, 2023.

4. DIVIDEND:

Your Directors do not recommend any Dividend for the Financial Year 2022-23 as the profits are planned to be ploughed back into the business operations.

5. SUBSIDIARIES:

During the year Company did not have any Holding, subsidiary or joint venture or associate company.

6. FIXED DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from its member and public during the Financial Year.

7. CHANGE IN THE NATURE OF THE BUSINESS

During the Financial year under Review there is no change in the nature of the Business.

8. MEETINGS

During the year under review, 5 (Five) board meetings were held on,

30.05.2022	13.08.2022	01.09.2022	31.10.2022	10.02.2023
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The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

9. BOARD EVALUATION

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manner

- i. Structured evaluation forms, as recommended by the Nomination and Remuneration Committee, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.
- ii. The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- iii. Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/Individual Director and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on **10th February 2023** to evaluate the performance evaluation of the Chairman, the Non-Independent Directors, the Board and flow of information from management.

10. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ambica Ramachandra Rao, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

During the year Mr. B V Subrahmanyeswarao appointed as Additional Director (Independent Director) of the company and Mr. Thandava Kishore Puvvada Resigned as Independent Director of the company on 13th August, 2023.

For Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting of the Company; the particulars as required to be disclosed in accordance Regulations 17 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para C, D & E of Schedule V Companies Act-2013.

The Company has received necessary declarations from all the Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) and in SEBI (LODR) Regulations, 2015

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3) (c) of the Companies Act, 2013, and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- (i) That in preparation of the Annual Accounts for the year ended 31st March, 2023, all the applicable Accounting Standards Prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- (ii) That the Directors have adopted such accounting policies, as selected in consultation with Statutory