

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, Jublee 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		



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 31st2023, 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. AndhraPradesh.
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



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



Auditors, and applied them consistently and 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 at the end of the financial year and of the profit of the Company for the financial year ended 31st March, 2023.

- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Annual Accounts for the year ended 31st March, 2023, has been prepared on a going concern basis.
- (v) Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

12. STATUTORY AUDITORS

The Shareholders in their meeting held on 27th June, 2018 approved the appointment of M/s. Ramasamy Koteswara Rao & Co LLP, Chartered Accountants, Hyderabad, as the Statutory Auditors of your Company to hold office for a period of 5 years. The Board of Directors based on the recommendation of Audit Committee considered the re-appointment of M/s. Ramasamy Koteswara Rao & Co LLP, Chartered Accountants, Hyderabad (Registration No.010396S/S200084) as Statutory Auditors of your Company from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting, subject to approval of members at the ensuing Annual General Meeting. Accordingly, a resolution seeking the re-appointment of M/s. Ramasamy Koteswara Rao & Co LLP, Chartered Accountants, as the Statutory Auditors of your Company is included in the notice convening the Annual General Meeting for approval of the shareholders.

The Statutory Auditors were present in the last AGM.

13. INTERNAL AUDITORS:

The Board of Directors based on the recommendation of the Audit Committee has reappointed KRNA & Associates, Chartered Accountants, as the Internal Auditors on your Company. The Internal Auditors are submitting their Reports on quarterly basis pursuant to the provisions of section 138 and rule 13 of companies (Accounts) rules, 2014

14. COST RECORDS AND COST AUDIT:

Maintenance of Cost records and requirement of Cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

15 FRAUD REPORTING

During the Financial Year under review the Statutory Auditors of the Company have not reported any incident of fraud to the Board of Directors of the Company

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of section 177 (9) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (meetings of board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 22 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company and the web link is <http://www.ambicaagarbathi.com>.



17. RISK MANAGEMENT

Pursuant to the provisions of section 134 (3) (n) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per SEBI (LODR) Regulations, 2015 the Risk management is Not applicable to the Company.

18. REMUNERATION POLICY

The Board of Directors, on recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration policy for selection, appointment and remuneration of Directors, KMP and Senior Management and matters covered u/s 178(3) of the Companies Act 2013. The details of the same are provided in the Corporate Governance Report and website of the company.

19. MANAGEMENT DISCUSSION AND ANALYSIS:

Aspects of Management Discussion and Analysis are enclosed as "**Annexure – I**" to this report.

20. CORPORATE GOVERNANCE:

Report on Corporate Governance including Auditor's Certificate on Compliance with Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and Para C, D & E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manner is enclosed as "**Annexure – II**" to this report

21. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Board of Directors, on recommendation of the Audit Committee, appointed M/s P S Rao and Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company. The secretarial audit report issued by M/s P S Rao and Associates, Practicing Company Secretaries for the financial year ending 31st March, 2023 is given in the FORM NO: MR - 3 is herewith annexed as "**Annexure (III)**" attached hereto and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the secretarial auditor and the observation made is self explanatory and requires no further explanation from the Board.

22. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per Regulation 23 SEBI (Listing Obligations & Disclosure Requirements) 2015 for the transactions which are of a foreseen and repetitive nature. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 in **Form AOC-2** is herewith annexed as "**Annexure IV**" to this report.

23. ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, a copy of Annual Return in the prescribed format i.e., Form MGT-7 is placed on the website of the Company and be accessed at the link www.ambicaagarbathi.com



24. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as **“Annexure V”**.

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of **Rs. 102 Lakhs**, or employees who are employed for part of the year and in receipt of **Rs. 8,50,000 per month**.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of any body corporate pursuant to Section 186 of the Companies Act, 2013.

26. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of section 135 (1) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Corporate social responsibility policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force). **Not Applicable to the Company.**

27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

28. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and Outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014

A. Conservation of Energy: The present operation of the Company does not involve high energy consumption. However steps being taken to minimize energy consumption where ever possible.

B. Research & Development: The Research and Development division of Agarbathies department continues to focus on introducing of new brands.

C. Technology Absorption: Not Applicable

D. Foreign Exchange Earnings & Outgo

(In Rs. Lakhs)

	2022-23	2021-22
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil



30. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

Your Company strongly supports the rights of all its employees to work in an environment free from all forms of harassment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

The Company has not received any complaint on sexual harassment during the year.

31. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

No application was made or any proceedings pending under the IBC, 2016 during the year ended on 31st March, 2023.

32. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings (SS-I), General Meetings (SS-II).

33. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

Not Applicable

34. ACKNOWLEDGEMENTS:

Your Directors place on record, their appreciation for the co-operation and support from the Bankers, Financial Institutions, the stockiest and distributors, Supplier and Customers.

Your Directors would also like to place on record their sincere appreciation and gratitude to the Shareholders, Central and State Government agencies etc for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptional commitment and loyalty to the Company.

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

**Sd/-
AMBICA KRISHNA
Chairman and Managing Director
DIN: 00391898**

**Sd/-
AMBICA RAMACHANDRA RAO
Wholetime Director
DIN: 01678538**

Place: Eluru
Date: 12.08.2023



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Ambica Agarbathies Aroma & Industries Limited, manufactures and sells incense sticks in India. Operate hotels in Chennai and Vishakapatnam, It was also involves in the film production and distribution activities; the company was founded in 1995 and is based in Eluru west Godavari district of Andhra Pradesh, India.

2. OPPORTUNITIES AND THREATS:

AS PER SEGMENT WISE

Agarbathies Division

India is one of the largest Agarbathi (incense sticks) producing country, which could capture both domestic and foreign market. Agarbathies are used by all communities in India, Sri Lanka, Burma and by Indians residing abroad. The percentile domestic sale of incense/ Agarbathies in South-India estimated as 35 percent, West-India accounted for 30 percent, North-India for 18 percent & East-India for 17 percent respectively. Significantly, about two-thirds of domestic consumption of agarbatti takes place in rural areas(61.23%). The demand for Agarbathies is increasing day by day for both in domestic and export markets due to the availability of improved quality and varieties of incense sticks. As on today about 90 foreign countries are using our Agarbathies. Agarbathies industry is one of the labour intensive cottage types of traditional industries in India.

Hotel Divisions

Hotels are one of the most important services which directly affect the arrival of tourists to a particular country. Obviously, it would not be possible for tourists to stay in a place if there are not enough hotel rooms available. Therefore, the hotel industry plays a significant role when it comes to tourism as it is a support service which will affect the number of tourists visiting a particular place. Hotel and hospitality industries are the biggest employment generators in the country. Towards helping its growth, the government should confer infrastructure status to the hotel industries, several taxation issues also need to be rationalized the demand for travel and tourism in The tourism sector is expected to be the second largest employer in the world where India is expected to be place third position in the world.

3. SEGMENT –WISE /PRODUCT –WISE:

We have three segments which are continuingly operating through this industry which are as follows

- 1. AGARBATHIES DIVISION**
- 2. HOTEL DIVISION**

Detailed info regarding those segments which are stated above, are given below

1. AGARBATHIES DIVISION

The Company is manufacturing varieties of incense sticks, which counts more than 80% of the revenue in overall turnover of the Company, some of the majors products are

Durbar Bathi

We offer Durbar Bathi in various fragrances to suit the different demands of the clients. We are well reckoned as one of the prominent Incense Sticks Manufacturers and Suppliers based in India. Our Durbar Bathi is comprised of natural base materials keeping in mind the national and international quality standards.



Amrutham (Herbal Bathies)

We offer Amrutham (Herbal Bathies) in various fragrances to suit the different demands of the clients. We are well reckoned as one of the prominent Incense Sticks Manufacturers and Suppliers based in India. Our Amrutham (Herbal Bathies) are comprised of natural base materials keeping in mind the national and international quality standards.

Athjisaya Dhoop

We offer Athjisaya Dhoop in various fragrances to suit the different demands of the clients. We are well reckoned as one of the prominent Incense Sticks Manufacturers and Suppliers based in India. Our Athjisaya Dhoop is comprised of natural base materials keeping in mind the national and international quality standards.

2. HOTEL DIVISION

The performance of the Hotel division of the Company is not satisfactory in this fiscal as compared to the last fiscals, as the economy of the country is witnessing downtrend and more tourist and visitors are expected in this fiscal wherein we are expecting good business in coming years, the major impact o the business is due to the ongoing pandemic situation of COVID -19 in the country .

3. INDUSTRY OUT LOOK AGARBATHIES DIVISION

The burning of incense in religious and social functions has been practiced in India since early times. Dhup an aromatic powder or paste is burnt in Indian homes as a fragrant fumigant and is reputed to possess insecticidal and antiseptic properties. Agarbathies also known, as Udubattis similar to joss sticks are a development of Dhup. Agarbathies are obtainable in different colors and with different perfumes. The burning time; of an agarbatti varies from 15 minutes to 3 hours according to quality and size. Agarbatti is also obtainable in other forms such as dashang (stickly paste or powder) deep (cones and Dhup, tablets etc.).

HOTEL DIVISION

'New Normal' was the oft-quoted, overused coinage of 2022, 'Revenge Travel' threatens to be its counterpart for this year. Unlike the violent connotations of its etymology, what it implies is people cashing in on missed opportunities for travel with extra trips, followed by a splurge on leisure tourism. Of course, this has spurred hope and optimism in the beleaguered hospitality industry that had been paralysed during the lockdown and has been limping back to normalcy since the last quarter of 2022. But the real question: is demand really buoyant to justify renewed hope? Since optimism doesn't wait on facts but prefers to weigh in on prospects instead, the likely guess is a yes! If the number of new hotels scheduled to open in 2022 is anything to go by, the hospitality industry has indeed much to toast in the New Year. Goa has led the charge of the hospitality brigade and witnessed considerable growth in recent months, with a market-wide occupancy level of almost 55 per cent in November last year. Kapil Chopra, CEO, The Postcard Hotel, confirms that when their hotel in Goa reopened in July 2022, "we were 85 per cent lower than last year but by September, we were already 118 per cent over last year's rates despite being closed for three months". "I believe 2022 will bring more stability and security, both emotionally and financially, for people to be able to venture out and experience all that they have missed last year. We have already witnessed that intimate, longer holidays at smaller hotels in destinations that are away from crowds is what people moved towards in 2021. With the vaccine coming in, many are aching to travel as things start to look up," he says.

4. RISKS AND CONCERNS:

Indians have well understood the importance of staying one step ahead of developments in the world economic environment. The industry is now preparing itself to take share of opportunities expected to arise out of the market freed from quota restrictions and other trade barriers. Industry operators are increasingly moving



towards modernization and expansion as encouraged by the so-designated film production and distribution activities wind power generation; hotels, construction activities by Government.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all transactions are properly authorized recorded and reported.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

When it comes to Segment wise performance of the Company the Turnover of the Agarbathies Division was Rs. 11,146 Lakhs as Compare to Rs. 14418.04 Lakhs, the Turnover of hotel division was Rs. 555.34 Lakhs as compared to Rs. 358.91 Lakhs.

7. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The Company recognise that people play a critical role in achieving its goals. As on 31st March, 2023, Company had a team of talented and experienced employees, providing a wide range of Financial Services. The focus for the year was to build platforms and to put in place scalable processes that would meet the needs of our Company's growth agenda. As a growing Company there are many opportunities available to employees to contribute and grow, ensuring that motivation is high. Our Company prides itself on its ability to attract and retain talents at all levels.

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

**Sd/-
AMBICA KRISHNA
Chairman and Managing Director
DIN: 00391898**

Place: Eluru
Date : 12.08.2023



REPORT ON CORPORATE GOVERNANCE

The following are the details furnished in the form as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your company also believes in taking into confidence all the stakeholders viz. Shareholders, Employees, Creditors, Customers etc. Your company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the company synchronizes and synergies their efforts in their growth along with the growth of their company.

BOARD OF DIRECTORS:

a) Composition of Board of Directors:

The Board of Directors presently comprises of six Directors, having rich experience and specialized skills in their respective fields, out of which 2 Executive Directors, 1 Executive Woman Director and 3 Independent Directors which is 50% of the total strength of the Board.

All the Directors on the Board of the Company have made necessary declarations/disclosures regarding their other Directorships along with Committee positions held by them in other Companies.

The composition of the Board of Directors, their directorship details and the attendance of each Member at the meetings were as follows:

Sl. No.	Directors	Category	Attendance At AGM held on 27.09.2022	Attendance in Board Meeting		Other Boards except Pvt Limited		
				Held	Attended	Directorship	Committee chairmanship	Committee membership
1	Ambica Krishna	Chairman and Managing Director	Yes	5	5	Nil	Nil	Nil
2	Smt Satyavathi Perla	Executive Director	Yes	5	5	Nil	Nil	Nil
3	Ambica Ramchandra Rao	Executive Director	Yes	5	5	Nil	Nil	Nil
4	P V Sreedharan	Non-Executive & Independent Director	Yes	5	5	Nil	Nil	Nil
5	Chunduru Anjaneya Swamy	Non-Executive & Independent Director	Yes	5	5	Nil	Nil	Nil
6	*B V Subrahmanyeswarao	Non-Executive & Independent Director	Yes	5	3	Nil	Nil	Nil
5	# Thandava Kishore Puvvada	Non-Executive & Independent Director	Yes	5	2	Nil	Nil	Nil

* Mr. B V Subrahmanyeswarao Appointed on 13th August, 2022.

Mr. Thandava Kishore Puvvada resigned on 13th August, 2022



b) Board meeting and attendance:

During the financial year 2022-2023, 5 (Five) Board Meetings were held on the following dates:

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 did not 120 days.

c) Familiarization Programme for Independent Directors:

Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013 mandates the Company to familiarize the Independent Directors with the Company by conducting training programmes.

The Familiarisation Programme is posted on the company's website and can be accessed at on the Company's Website at the link: www.ambicaagarbathi.com

d) Relationship among Directors:

All executive Directors Belongs to one family.

e) Number of shares held by directors

Name of the Director	Designaon	No. of Shares held	No of Convertible instrument
Ambica Krishna	Chairman and Managing Director	13,91,806	NIL
Ambica Ramachandra Rao	Whole Time Director	14,64,950	NIL
Satyavathi Perla	Women Director (WTD)	1,39,989	NIL
Sreedharan Venkatesan	Independent Director	0	NIL
Chundururu Anjaneya Swamy	Independent Director	0	NIL
* B V Subrahmanyeswarao	Independent Director	0	NIL
#Thandava Kishore Puvvada	Independen Director	11,100	NIL

* Mr. B V Subrahmanyeswarao Appointed on 13th August, 2022.

Mr. Thandava Kishore Puvvada resigned on 13th August, 2022.

f) Skills / expertise / competencies of the Board of Directors

The following is the list of core skills / expertise /competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
- Financial and Management skills
- Technical / Professional skills and specialized knowledge in relation to Company's business



CONFIRMATION THAT IN THE OPINION OF THE BOARD, THE INDEPENDENT DIRECTORS FULFIL THE CONDITIONS SPECIFIED IN THESE REGULATIONS AND ARE INDEPENDENT OF THE MANAGEMENT:

The Board of Directors hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

COMMITTEES OF THE BOARD:

Currently, there are Three Board Committees – Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below

AUDIT COMMITTEE:

a) Brief description of terms of reference:

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the Regulation 18 of SEBI Listing Obligations & Disclosure Requirements) 2015 read with Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Regulation 18 of SEBI Listing Obligations & Disclosure Requirements) 2015 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

Terms of reference:

The terms of reference of audit committee are as per the guidelines set out in the SEBI (LODR) Regulations, 2015 read with section 177 of the companies act 2013 and includes such other functions as may be assigned to it by the board from time to time.

i. Powers of the Audit committee:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it consider necessary.
- Such powers as may be prescribed under the companies act-2013 and SEBI Listing Regulations.

ii. Role of the Audit committee:

- a) Oversight of company financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending to the board, the appointment and re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
- c) Approval of payments to statutory auditors for any other services rendered by them.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matter required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub section 3 of section 134 of companies act 2013.



- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of Judgment by management
- Significant adjustments made in the financial statements arising out of audit findings – compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions
- Review of draft auditor's report, in particular qualifications / remarks / observations made by the auditors on the financial statements.
- Management Discussion and analysis of financial conditions and results of operations.
- Review of statement of significant related party transactions submitted by the management.
- Review of management letters / Letters of internal control weakness issued by the statutory auditors.
- Review of internal audit reports relating to internal control weaknesses.
- Review of appointment, removal and terms of remuneration of the chief Internal auditor.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Review of the financial statements of subsidiary companies.
- Review and monitor the auditors independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties and omnibus approval (In the manner specified under SEBI Listing Regulations) for related party transactions proposed to be entered into by the company subject to such conditions/ criteria as may be prescribed, provided that only those members of the committee, who are independent directors, shall approve related party transactions.
- Scrutiny of inter corporate loans and investments.
- Valuation of assets and undertakings of the company, whenever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- To look into reasons for substantial default in the payment to the shareholders (in case of non- payment of declared dividends) and creditors.
- Reviewing with the management, the statement of uses / applications of funds raised through an issue (Public issue, Rights issue, Preferential issue, etc) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / Notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public issue or Rights issue and making appropriate recommendations to the board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal audit systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on
- Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To review the functioning of the whistle Blower mechanism.



- Approval of appointment / re-appointment / Remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications and experience & background, etc. of the candidate.
- Carrying out any other function as may be mentioned in the terms and reference of the audit committee. The audit committee discharges its functions and obligations on regular basis and on the occurrence of the events.
- Formulating a policy on Related party transactions, which shall include materiality of related party transactions and definition of material modifications of related party transactions.
- Reviewing, at least on quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approvals given.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concerns.

b) Composition of Audit Committee

Audit Committee of your company consists of following Directors:

SI No.	Name of the Director	Designation
1	P V Sreedharan	Chairman
2	B V Subrahmanyeswarao#	Member
3	Chunduru Anjaneya Swamy	Member
4	Thandava Kishore Puvvada*	Member

Mr. B V Subrahmanyeswarao Appointed on 13th August, 2022.

* Mr. Thandava Kishore Puvvada resigned on 13th August, 2022.

Audit Committee meetings were held on 30.05.2022, 13.08.2022, 31.10.2022 and 10.02.2023

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

S.No.	Name of the Member	Designation	No of Meetings held during the Year	No of Meetings attended
1	P V Sreedharan	Chairman	4	4
2	B V Subrahmanyeswarao#	Member	4	2
3	Chunduru Anjaneya Swamy	Member	4	4
4	Thandava Kishore Puvvada*	Member	4	2

Mr. B V Subrahmanyeswarao Appointed on 13th August, 2022.

* Mr. Thandava Kishore Puvvada resigned on 13th August, 2022.

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, and fixation of audit fee and also approval of payment of fees for any other services.

NOMINATION AND REMUNERATION COMMITTEE

4. NOMINATION AND REMUNERATION COMMITTEE:

In terms of Section 178 of Companies act, 2013 the Board of Directors constituted Nomination and Remuneration Committee comprising of 3 Non-Executive Independent Directors



a) The terms of reference of the Remuneration Committee are as follows:

- Formulation of 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.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.:
- Formulation of criteria for evaluation of independent directors and the board.
- Devising a policy on Board Diversity.
- 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.
- To Recommend / Review remuneration of Key Managerial personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. Salary, benefits, Bonus, Stock Options, Pensions, etc.
- Recommendation of any fee / Compensation if any, to be paid to Non-Executive directors including independent directors of the board.
- Payment / revision of remuneration payable to managerial personnel
- While approving the remuneration, the committee shall take into account financial position of the company, trend in the industry, qualification, experience and past performance of the appointee.
- The committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the company and shareholders.
- Any other functions / Powers / duties as may be entrusted by the board from time to time.

The company has adopted a policy relating to the remuneration for directors, key managerial personnel and other employees of the company which is disclosed on the website of the company.

The committee under the guidance of the Board has formulated the criteria and framework for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties

Nomination and Remuneration Policy:

1. Introduction

Ambica Agarbathies & Aroma Industries Limited. believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, the company ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. The company aims to have an optimum combination of Executive, Non-Executive and Independent Directors.



The Company also recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pays reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a Director appointed to the Board of a Company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.4 "Key Managerial Personnel" means
 - (i) The Chief Executive Officer or the Managing Director or the Manager;
 - (ii) The Whole-time Director;
 - (iii) The Chief Financial Officer; and
 - (iv) Such other officer as may be prescribed under the Companies Act, 2013

4. Selection of Directors and determining Directors independence:

4.1 Qualifications and criteria

4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's global operations

4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:

1. General understanding of the Company's business dynamics, global business and social perspective;
2. Educational and professional background Standing in the profession;
3. Personal and professional ethics, integrity and values;



4. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

Shall possess a Director Identification Number;

Shall not be disqualified under the Companies Act, 2013;

Shall give his written consent to act as a Director;

Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member,

The Committee Meetings;

Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;

Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

- 4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

- 4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

- 4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director -

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - (i) Who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- b. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- c. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- d. who, neither himself nor any of his relatives -
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;



- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
 - A. A Firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - B. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; Or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) Is a material supplier, service provider or customer or a lessor or lessee of the company?
 - e. Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
 - f. Shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
 - g. Who is not less than 21 years of age.
- 4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.
- 4.3. Other directorships / committee memberships
- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.
5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees:
- 5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.



- 5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
- (i) Basic Pay
 - (ii) Perquisites and Allowances
 - (iii) Commission (Applicable in case of Executive Directors)
 - (iv) Retrial benefits
 - (v) Annual Performance Bonus
- 5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.
- 5.2. Remuneration to Non-Executive Directors
- 5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 5.3 Remuneration to other employees
- 5.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

In compliance with the provisions of section 178 of the Companies Act 2013, read along with Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) 2015, the Board has considered and approved the change in the nomenclature of the existing Remuneration Committees the "Nomination and Remuneration Committee".

Composition-name of members and Chairperson

The Nomination and Remuneration Committee constitutes the following three Non-Executive & Independent Directors.

1.	P V Sreedharan	Chairman
2.	B V Subrahmanyeswarao#	Member
3.	Chunduru Anjaneya Swamy	Member
4.	Thandava Kishore Puvvada*	Member

Mr. B V Subrahmanyeswarao Appointed on 13th August, 2022.

* Mr. Thandava Kishore Puvvada resigned on 13th August, 2022

Remuneration Committee meetings were held on 30.05.2022, 13.08.2022, 31.10.2022 and 10.02.2023.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

S.No.	Name of the Member	Designation	No of Meetings held during the Year	No of Meetings attended
1	P V Sreedharan	Chairman	4	4
2	B V Subrahmanyeswarao#	Member	4	2
3	Chunduru Anjaneya Swamy	Member	4	4
4	Thandava Kishore Puvvada*	Member	4	2

Mr. B V Subrahmanyeswarao Appointed on 13th August, 2022.

* Mr. Thandava Kishore Puvvada resigned on 13th August, 2022.

Remuneration paid to Directors during The Financial Year

Director	Designation	Remuneration for Financial Year 2022-23 (in Rs.)	
		Salary & Perks	Total
Sri Ambica Krishna	Chairman and Managing Director	24,00,000	24,00,000
Smt. Satyavathi Perla	Executive Director	12,00,000	12,00,000
Sri Ambica Ramchandra Rao	Executive Director	15,60,000	15,60,000

No sitting fees is paid to the Independent Directors of the Company

Performance Evaluation Criteria for Independent Directors.

Independent Directors are evaluated based on below mentioned criteria:

- their general understanding of the Company's business dynamics;
- their contribution in the Board Meetings and guidance to the Board;
- professional ethics, integrity and values;
- willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively;

The Nomination and Remuneration Committee also has laid down criteria for performance evaluation of all the Directors on the Board and recommended the same for evaluating the performance of each and every Director.

STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee has been formed in compliance of Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178(5) of the Companies Act, 2013. The Committee comprises of all Non-Executive Independent Directors.

The terms of reference of the Investor Grievance & Share Transfer Committee are as follows:

To supervise and ensure:

Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and Redressal of investor queries and grievances.



Composition of Shareholder and Investor Grievance Committee is as follows.

1.	P V Sreedharan	Chairman
2.	B V Subrahmanyeswarao#	Member
3.	Chunduru Anjaneya Swamy	Member
4.	Thandava Kishore Puvvada*	Member

Mr. B V Subrahmanyeswarao Appointed on 13th August, 2022.

* Mr. Thandava Kishore Puvvada resigned on 13th August, 2022.

Stakeholders' Relationship Committee meetings were held on 30.05.2022, 13.08.2022, 31.10.2022 and 10.02.2023.

The committee specifically looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors. It resolves within the reasonable time, various complaints received from the investors.

(a) Name and designation of Compliance Officer : Uma Gayathri
Company secretary & Compliance officer

(b) Details of Investor complaints received and redressed during the year:

Nature of Complaints	Year 2022- 23		
	Received	Resolved	Pending
Total Complaints	0	0	0

The terms of reference of the Stakeholders' Relationship Committee are as under:

1. Resolving the grievance of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on **10th February 2023**, inter alia, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.



PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared 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.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

VIGIL MECHANISM POLICY

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies as may be prescribed to establish a vigil mechanism, called Whistle Blower Policy (as per Regulation 22 of SEBI (LODR) 2015) for the Directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, or howsoever insignificant perceived as such would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Under these circumstances, AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED, being a Listed Company has established a Vigil Mechanism and formulated a Policy for the same, pursuant to the review and recommendation by the Audit Committee.

REMUNERATION OF DIRECTORS

(a) All pecuniary relationship or transactions of the non-executive directors

Non-Executive Directors including Independent Directors are entitled to sitting fee for the Board and Committee meetings attended by them and Commission not exceeding 1% of of the net profits of your Company computed in the manner laid down in Section 198 of the Companies Act, 2013, which is approved by the shareholders.

(b) Criteria of making payments to non-executive directors

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the non-executive directors in the supervision and control of your Company and their guidance for the growth of the Company as members of the Board and also as Chairman or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission should be commensurate with their roles which have undergone significant qualitative changes.

(c) Disclosures with respect to remuneration (in addition to disclosures required under the Companies Act, 2013):

- (i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc for the FY 2022-23:



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

S.No.	Name of the Member	Designation	Salary Received	Perquisites allowances
1	Ambica Krishna	MD & Chairman	24,00,000	Nil
2	Ambica Ramachandra Rao	Executive Director	15,60,000	Nil
3	Satyavathi Perla	Women Executive Director	12,00,000	Nil
4	Venkatesan Sreedharan	Independent Director	Nil	Nil
5	Thandava Krishna Puvvada	Independent Director	Nil	Nil
6	Chunduru Anjanaya Swamy	Independent Director	Nil	Nil
7	B V Subrahmanyeswarao	Independent Director	Nil	Nil

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria: No Director is paid any fixed component nor performance linked incentives.
- (iii) Service contracts, notice period, severance fees: A separate contract of employment was entered with each of the Executive Directors with terms and conditions of appointment as per the HR Policy of the Company and approved by the Board.
- (iv) Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: The Company has not issued any stock options.

GENERAL BODY MEETINGS:

➤ Location, day, date and time where the last three AGMs held and special resolution passed thereat as follows:

Year	Day, Date & Time	Location	Special Resolution
2021-22	Tuesday, 27 th September 2022 At 11:00 A.M.	Shankar Towers, Powerpet, ELURU	<ol style="list-style-type: none"> 1. Approval for the appointment of Sri B V Subrahmanyeswarao as Director of the Company. 2. Approval for Appointment of Sri B V Subrahmanyeswarao (DIN-09701305) as an Independent Director of the Company. 3. To approve the appointment and remuneration of Sri Ambica Krishna as Chairman and Managing Director of the company. 4. To Approve Material Related Party Transactions.
2020-21	Wednesday 29 th December 2021 At 11 A.M	Shankar Towers, Powerpet, ELURU	<ol style="list-style-type: none"> 1. Approval for the Appointment of Mr. Ambica Ramachandra Rao (DIN 01678538) as Director of The Company. 2. To Approve the Appointment and Remuneration of Smt. Satyavathi Perla (DIN:07141289) As Whole Time Director of The Company. 3. To Approve the Appointment and Remuneration of Mr. Ambica Ramachandra Rao (DIN- 01678538) as Whole time Director of the company.



Year	Day, Date & Time	Location	Special Resolution
2019-20	Wednesday 30 th September, 2020 At 11.00 A.M	Shankar Towers, Powerpet, ELURU	<ol style="list-style-type: none">1. Appointment Of Sri Ambica Krishna As Director of the Company.2. To Approve the Appointment And Remuneration of Sri Ambica Krishna As Chairman And Managing Director of The Company.3. Appointment of Sri. Chunduru Anjaneya Swamy to the office of Independent Director.

POSTAL BALLOT :

During the previous year, no resolutions were passed by Postal Ballot.

DISCLOSURES:

Disclosures on Materially Significant Related Party Transactions:

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

Details of Non-Compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any, Securities Stock Exchanges and Exchange Board of India or any Statutory Authority relating to the capital markets.

MEANS OF COMMUNICATION:

a) Quarterly results:

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers within 48 hours from the conclusion of the Board meeting.

Annual reports with audited financial statements are sent to the shareholders through permitted mode and are displayed on the Company's website.

(b) Newspapers wherein results normally published:

The results are normally published by the Company in the newspapers in English version, and in regional newspaper in the vernacular language.

(c) Any website, where displayed:

The results are also displayed on the Company's website: ambicaagarbathi.com

(d) Whether it also displays official news releases:

Official press releases/ news are sent to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited, where shares of the Company were listed and the same are hosted on the website of the Company



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

GENERAL SHAREHOLDER INFORMATION:

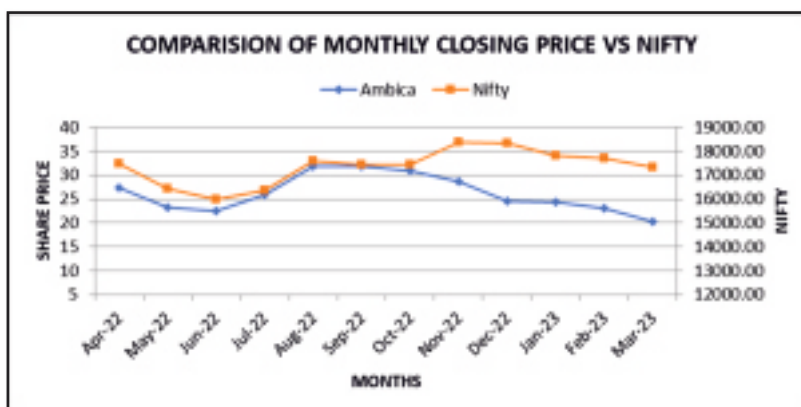
Date time and Venue	Monday 25 th September, 2023 at 11.00 AM Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh.
Financial year	1 st April, 2022 to 31 st March, 2023
Book Closure	Tuesday 19 th September, 2023 to Monday, 25 th day September 2023 (both day inclusive)
Dividend Payment Date	Not Applicable
Listing on Stock Exchanges	1) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI – 400001 2) National Stock Exchange of India Limited. 'EXCHANGE PLAZA' 5th Floor, Plot # C/1, G-Block, Bandra-Kurla Complex, Bandra (E), MUMBAI - 400051.
Listing fees	The Company has paid the annual listing fees for the year 2022-23 to both the above stock exchanges
Stock Code:	Code/Symbol
BSE Limited	532335 / AMBICAGR
National Stock Exchange Limited	AMBICAAGAR
Web Site	www.ambicaagarbathi.com
Performance in comparison to broad-based indices such as BSE sensex, CRISIL index etc	NA
Commodity Price Risk and Commodity Hedging Risk	NA
List of Credit Rating obtained during the year for all debt instrument	NA
ISIN Code	INE792B01012
Share transfer system:	As per SEBI Circulars, the securities of listed companies can be transferred only in dematerialised form and hence members are advised to dematerialise the shares held for any transfer of shares.
Registrar and Share Transfer Agents	Venture Capital and Corporate Investments Pvt. Ltd “Aurum”, Door No.4-50/PII/57/4F & 5F, Plot No.57 4th & 5th Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad - 500 032. Email: investor.relations@vccipl.com



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

• Market Price Data: During the last Financial Year 2022-2023

Month	BSE Limited			NSE Limited		
	High (Rs.)	Low (Rs.)	Total No. of Shares Traded	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
Apr-22	33.40	26.60	1,53,073	32.10	25.45	8,99,000
May-22	27.30	19.25	86,458	28.50	20.20	6,59,000
Jun-22	27.00	20.00	36,877	25.95	20.25	3,54,000
Jul-22	28.90	22.00	1,73,840	28.95	22.00	8,75,000
Aug-22	33.75	23.50	3,74,034	33.80	23.35	29,33,000
Sep-22	35.30	27.10	4,45,840	35.40	27.15	15,86,000
Oct-22	32.70	26.00	2,59,993	31.95	26.20	4,05,000
Nov-22	33.90	27.50	1,83,604	33.90	27.55	3,82,000
Dec-22	29.90	23.50	1,48,282	30.75	23.10	8,91,000
Jan-23	27.00	23.80	75,871	26.85	24.20	3,52,000
Feb-23	25.75	22.75	44,771	26.40	22.20	2,43,000
Mar-23	24.75	19.56	98,255	24.50	19.40	1,41,26,000





AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

SHAREHOLDING PATTERN AS ON 31ST MARCH 2023:

Sl.No.	Category	No. of Shares Held	% of Share Holding
A 1	INDIAN PROMOTERS & PROMOTER GROUP Individuals/Hindu Undivided Family Central Government /State Governments Bodies Corporate Financial Institutions/Banks	83,05,532	48.35
	Sub Total of A1	83,05,532	48.35
A 2	FOREIGN Individuals (Non-Residents) Individuals (Foreign Individuals) Bodies Corporate Institutions Any Other (Specify)		
	Sub Total of A2	Nil	Nil
	TOTAL OF A1 +A	83,05,532	48.35
B 1	PUBLIC SHAREHOLDINGS Institutions Mutual Funds and UTI Banks/Financial Institutions Central Government/State Government Venture Capital Funds Insurance Companies Foreign Institution Investor Foreign Venture Capital Investors Any Other (Specify)		
	Sub Total B1	Nil	Nil
B 2	NON INSTITUTIONS Bodies Corporate Individuals Individuals share holders holdings nominal share capital up to Rs. 2 Lakhs Individual Shareholding holding nominal share capital in excess of Rs. 2 Lakhs Any Other (Specify) NRIs/OCBs Foreign Collaborators Clearing Members	1,15,998 42,13,787 44,47,170 79,970 14,943	0.68 24.53 25.89 0.47 0.08
	Sub Total B2	88,71,868	51.65
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	88,71,868	51.65
C	Shares held by Custodian and against which Depository Receipts have been issued		
	TOTAL A+B+C	1,71,77,400	100.00



DISTRIBUTION OF SHAREHOLDING: 31st March, 2023

Nominal Value	Holders		Amount	
	Number	% To Total	in Rupees	% of Total Capital
Upto - 5000	8927	97.92	9397780	5.47
5001 - 10000	100	1.10	6376020	3.71
10001 - 20000	42	0.46	6219210	3.62
20001 - 30000	9	0.10	3579060	2.08
30001 - 40000	4	0.04	2169190	1.26
40001 - 50000	10	0.11	3229620	1.88
50001 - 100000	10	0.11	7250240	4.26
100001 and above	14	0.15	133552880	77.75
Total	9116	100	171774000	100

- **Dematerialization of Shares and Liquidity:** The Shares of the Company are under compulsory Demat trading. The Company has already entered into necessary agreements with NSDL and CDSL for Demat facility.
98.98% of total equity share capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2023.
- **Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:** NIL
- **Share Transfer System:** The Share transfers are effected within 15 days from the date of lodgment for transfer, Transmission sub-division, Consolidation, renewal etc., if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations and such modified share Certificates are delivered to the shareholders immediately.

CEO & CFO CERTIFICATIONS

The CEO & CFO of the Company gave annual certificates on financial reporting and internal controls to the Board in terms of **Part B Schedule II of SEBI (Listing Obligations & Disclosure Requirements) 2015**

Plant Location:

SATRAPADU, ELURU, DUGGIRALA, ELURU
West Godavari Dist, Andhra Pradesh.

Address for correspondence:

Uma Gayathri
Company Secretary and Compliance officer
Ambica Agarbathies Aroma & Industries Limited
Shankar Towers
Power pet, Eluru-534002

REGISTRAR & TRANSFER AGENT

Both physical and Demat:
M/s. Venture Capital and Corporate Investments Private Limited
"Aurum", Door No.4-50/P-II/57/4f & 5f, Plot No.57,
4th & 5th Floors, Jayabheri Enclave Phase - II
Gachibowli, Hyderabad - 500 032



OTHER DISCLOSURES

- ♦ The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest. The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the weblink
- ♦ There are no non-compliances in the last three years by the Company on any matter related to Capital Market and there were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority during the year.
- ♦ The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.
- ♦ The Whistle Blower Policy of the Company is also posted on the website of the Company
- ♦ The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with the discretionary requirements under Regulation 27(1) of SEBI Listing Regulations.
- ♦ The Board has constituted Internal Complaints Committee in accordance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). This Committee was constituted to specifically provide a safe, secure and enabling environment, free from sexual harassment to every woman.
- ♦ In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.
- ♦ Disclosure with respect to demat suspense account/ unclaimed suspense account: N.A
- ♦ Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – The Company has not raised any funds during the year under review.
- ♦ Policy on dealing with Related Party Transactions and Policy for determining material subsidiaries may be accessed on our website.
- ♦ A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report.
- ♦ Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.
- ♦ Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part Rs. 3,80,000/-
- ♦ Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:



Nature of Interest: Common Directors

1. Ambica Trendset Private Limited - Nil
2. Fine Green Constructions Private Limited - Nil
3. Fine Aromas Private Limited - Rs. 5,000
4. Ambica Entertainment and Ventures Private Limited- Nil

Nature of Interest: Entity in which Director relative is Partner

5. Ambica Deluxe Theatre - Nil

Save and except the aforesaid, neither the Company nor any of its subsidiaries has given any loan / advance in the nature of loans to firms/companies in which directors are interested.

- ♦ Disclosure with respect to demat suspense account/ unclaimed suspense account: N.A
- ♦ The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the Regulations and the same may be referred at point no. 10 hereunder.
- ♦ Non-compliance of any requirement of corporate governance report, with reasons thereof:

All the corporate governance requirements are complied with.

The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

Discretionary Requirements:

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

i. The Board:

Maintenance of Office to the Non-Executive Chairperson at the Company's expense: This is not applicable as the Chairperson of the Company is an Executive Director.

ii. Shareholders' rights:

All the quarterly financial results are placed on the Company's website, apart from disseminating them in NSE, BSE and publishing in Newspaper.

iii. Modified opinion(s) in audit report:

There are no modified opinions in the Audit Reports.

iv. Reporting of Internal Auditor:

The Internal Auditor reports to the Chairman of the Audit Committee directly.

- ♦ **Compliance Certificate:** Certificate from P S Rao & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 28th Annual Report.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Secretarial Audit:

- M/s P S Rao & Associates, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2022-23. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on yearly basis, by M/s P S Rao & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- M/s P S Rao & Associates, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details follow:

Regulation	Particulars of regulations	Compliance Status (Yes/No)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

DECLARATION OF THE MANAGING DIRECTOR / CEO ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS:

Ambica Agarbathies Aroma & Industries Limited has adopted a Code of Business Conduct and Ethics ("the Code") which applied to all employees and Director of the Company. Under code, it is responsibility of all employees and Directors to familiarize themselves with the Code and Comply with its standards.

I hereby certify that the Board Members and Senior Management Personnel of Ambica Agarbathies Aroma & Industries Limited have affirmed compliance with the Code for the Financial Year 2022-23.

Date: 12.08.2023
Place: Eluru

Sd/-
AMBICA KRISHNA
Chairman and Managing Director
DIN: 00391898



**CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER
(CEO & CFO) CERTIFICATE:**

We, Sri Ambica Krishna, Chairman and Managing Director and Sri A. Hanuma, Chief Financial officer of Ambica Agarbathies Aroma & Industries Ltd, to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements including cash flow statement for the financial year ended March 31, 2023 and to the best of our knowledge and belief:
 - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - b) The financial statements and other financial information included in this report present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
2. 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 volatile of the Company's code of conduct.
3. 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.
4. We have indicated to the Auditors and the Audit committee:
 - a) There has not been any significant change in internal control over financial reporting during the year under reference;
 - b) There has not been any significant changes in accounting policies during the year under reference; and
 - c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
AMBICA KRISHNA
Chairman and Managing Director
DIN: 00391898

Sd/-
ALAPATI HANUMA
Chief Financial Officer

Place: Eluru
Date : 12.08.2023



SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
M/s Ambica Agarbathies Aroma & Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED** (hereinafter called the company) having its registered office at Shankar Towers Power Pet Eluru-534002 Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the audit period);**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the audit period);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period);** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**



- i) The SEBI (Listing obligation and Disclosure Requirements) Regulations 2018 **As applicable.**

Other specifically applicable laws to the Company:

- Food Safety and Standards Act, 2006

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that

- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- There were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

For P S Rao & Associates
Company Secretaries

Sd/-
P.S. Rao
Company Secretary
FCS No.: 10322
C.P. No.: 3829
UDIN: F010322E000796965

Place: Hyderabad
Date : 12.08.2023

{This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report}



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

ANNEXURE A

To,
The Members,
M/s AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED
Powerpet Eluru- 534002

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P S Rao & Associates
Company Secretaries

Sd/-
P.S. Rao
Company Secretary
FCS No.: 10322
C.P. No.: 3829
UDIN: F010322E000796965

Place: Hyderabad
Date : 12.08.2023



CERTIFICATE REGARDING CORPORATE GOVERNANCE

**To
The Members,
AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **AMBICA AGARBATHIES & AROMA INDUSTRIES LIMITED** (hereinafter referred to as “the Company”) for the year ended March 31, 2023, as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgment, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended March 31, 2023.

We further state that such compliance is neither an assurance as to the financial viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates
Company Secretaries

**Sd/-
P.S. Rao**
Company Secretary
FCS No.: 10322
C.P. No.: 3829
UDIN: F010322E000797009

Place: Hyderabad
Date : 12.08.2023



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2015]

To
The Members,
AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED
Powrpet Eluru-534002

We have examined the relevant records, forms, returns and disclosures received from the directors of **AMBICA AGARBATHIES & AROMA INDUSTRIES LIMITED** having **CIN: L24248AP1995PLC020077** and having registered office at Sankar Towers, Powerpet, Eluru, West Godavari Dist AP 534002 IN (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause 10(i) of Para C of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and the explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company for the financial year ended March 31, 2023 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

SI.No.	Name of Director	Nature/ Category of Directorship	DIN
1.	Veera Venkata Pothu Krishna Rao Perla	Chairman & Managing Director	00391898
2.	Satyavathi Perla	Whole Time Director	07141289
3.	Ambica Ramachandra Rao	Whole Time Director	01678538
4.	Venkatesan Sreedharan	Independent Director	03453379
5.	Chunduru Anjaneya Swamy	Independent Director	08810748
6.	B V Subrahmanyeswarao	Independent Director	09701305

Ensuring eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates
Company Secretaries

Sd/-
P.S. Rao
Company Secretary
FCS No.: 10322
C.P. No.: 3829
UDIN: F010322E000796987

Place: Hyderabad
Date : 12.08.2023



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

ANNEXURE – IV

DETAILS OF RELATED PARTY TRANSACTIONS FORM NO. AOC – 2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: No transactions.
2. Details of material contracts or arrangement or transactions at arm's length basis (Amount in Lakhs)

S.No.	Name of the Related party	Nature of Relationship	Nature of year Transaction	For the year Ended 31 st March-2023
1.	Ambica Krishna	Chief Executive Officer & President	Remuneration	12
2.	Ambica Ramachandra Rao	Executive Director	Remuneration	15.60
3.	A B N V R A Hanuma	CFO	Remuneration	12
4.	A Siva Kumar	Professional Services	Remuneration	15.60
5.	Satyavathi Perla	Executive Director- Chairperson	Remuneration	12
6.	Uma Gayathri	Company Secretary & Compliance Officer	Remuneration	2.4
7.	Karthik Hanuma Kumar	Son of Director	Remuneration	12
8.	Ambica Ramachandran	Grandson of Director	Remuneration	12
9.	ACP Industries Ltd	Entity in which Director/Promoters is related	Purchases	4881.39
			Loans and Advances	1200
10.	Elite Agro Trading	Entity in which Director/Promoters is related	Trade Receivable	Nil
11.	Ambica Trendset Private Limited	Common Directors	Other Loans and Advances given	Nil
12.	Fine Green Constructions Private Limited	Common Directors	Loans and Advances given	Nil
13.	Fine Aromas Private Limited	Common Directors	Loans and Advances given	0.05
14.	Ambica Deluxe Theatre	Entity in which Director/Promoters is related	Loans and Advances given	Nil
15.	Palmella Enterprises Pvt Ltd	Entity in which Director/Promoters is related	Other Loans and Advances given	220.46
16.	Ambica Entertainment and Ventures Private Limited	Entity in which Director/Promoters is related	Other Loans and Advances given	Nil

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

Sd/-
AMBICA KRISHNA

Chairman and Managing Director
DIN: 00391898

Place: Eluru
Date : 12.08.2023



ANNEXURE –V

**Information pursuant to Section 197 of the Act
Read with Rule 5(1) of the Companies (Appointment and Remuneration of
Managerial Personnel) Rules, 2014.**

- A. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2022-23 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2022-23:

Name of the Director/ Key Managerial Personnel	Remuneration of Director KMP for the financial year 2022-23	% increase in Remuneration in the financial year 2022-23	Ratio of the remuneration to the median remuneration of the employees
Ambica Krishna	12,00,000	-50%	12
Ambica Ramachandra Rao	15,60,000	+23%	15.6
Satyavathi Perla	12,00,000	+23%	12
Ambica Hanuma	12,00,000	+23%	12
Uma Gayathri	2,40,000	-	2.4

Note: The median remuneration of employees of the Company during the financial year was Rs.1,00,000

- B. The percentage increase in the median remuneration of employees in the financial year: 25%**
- C. The number of permanent employees on the rolls of company: 6**
- D. The explanation on the relationship between average increase in remuneration and company performance:**
The average increase in the employee remuneration effected during the year 2022-23 is based on the individual performance and Company's performance during the previous financial year 2022-23. The other factors considered for revision in remuneration is based on market survey, functional expertise, industry standards etc
- E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
The average increase in the salaries of employees other than the managerial personnel in 2022-23 was 25%. The average percentage increase in the managerial remuneration for the same financial year was 19%
- F. Affirmation that the remuneration is as per the remuneration policy of the company.**
It is hereby affirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company.

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

**Sd/-
AMBICA KRISHNA
Chairman and Managing Director
DIN: 00391898**

Place: Eluru
Date : 12.08.2023



INDEPENDENT AUDITOR'S REPORT

To
The Members of Ambica Agarbathies Aroma & Industries Ltd

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **Ambica Agarbathies Aroma & Industries Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, its profit including total other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw our attention to note no. 9 to the accompanying financial statements that the company has recognised interest income on inter corporate loans given for which confirmation from the parties not received.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Matter was addressed in Audit
1. Revenue from Operations	<p>Our audit procedures amongst others included the following:</p> <ol style="list-style-type: none">1. We understood and tested on a sample basis the design and operating effectiveness of management control over the recognition of revenue as per IndAS 18 Revenue.2. We understood the nature of goods sold/services rendered to the customers, assessed the design and tested the operating effectiveness of internal controls related to the revenue recognition.3. Performed substantive testing on test check basis and verified supporting documentation for revenue transactions recorded during the year which includes sales invoices, purchase order from customers and bank statements apart from that performed analytical procedures.



Other Information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended 31 March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;
 - c) During the year, the company has no branch offices hence reporting under section 143(8) of the act is not applicable to the company.
 - d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us;
 - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - f) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - h) In our opinion, the managerial remuneration for the year ended 31 March 2023 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. As per the information furnished to us the amounts of Rs. 6,23,674/- lying with the company in unpaid dividend account which have remained unclaimed or unpaid for a period of 7 years or more have not been transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries ") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. During the year the company has not declared any dividend. Therefore compliance with section 123 of the act was not applicable.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

**Sd/
(Pei Reddy Talla
Partner**

**Membership No.236759
UDIN: 23236759BGXUAK2819**

Place: Hyderabad
Date: 29-05-2023



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Annexure 'A' referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our report to the Members of Ambica Agarbathies Aroma & Industries Limited of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of every three years which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) Title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year ended 31st March 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. There were no material discrepancies noticed on such physical verification.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. (a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below and the Company has not provided any guarantee or security to any other entity during the year

All the amt's in lakhs

Particulars	Loans	Advances in nature of loans
A. Aggregate amount granted / provided during the year:		
-Subsidiaries	-	-
-Joint Ventures	-	-
-Associates	-	-
- Others	22.335	-
B. Balance outstanding as at balance sheet date in respect of above cases:		
-Subsidiaries	-	-
-Joint Ventures	-	-
-Associates	-	-
- Others	22.335*	-

*The above loans are receivable on demand.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- (b) The terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company has granted loans or provided advances in the nature of loan are payable on demand. During the year the Company has not demanded such loan or advances in the nature of loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.
- (f) The company granted Loans or advances in the nature of loans which are repayable on demand details of which are given below:

All the amt's in lakhs

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	22.335*	-	-
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	22.335	-	-

*The amounts reported are at gross amounts, without considering provisions made

- iv. In investments, guarantees and securities in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for any of the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. (a) The Company is irregular in depositing with appropriate authorities undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2023 on account of disputes are given below:

Name of the Statute	Nature of dues	Demand Amount in Lakhs	Assessment Year	Forum Where Dispute is Pending
Income Tax act, 1961	Assessment made u/s. 147	36.91*	2017-18	National Faceless Appeal Centre (NFAC)
Income Tax act, 1961	Assessment made u/s. 143(3)	1038.52	2015-16	National Faceless Appeal Centre (NFAC)

*Including interest



- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loans during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) and hence, the requirement to report on under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) There is no Core Investment Company as a part of the group. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in Note 24 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, the company was not mandatory to made contributions towards corporate social responsibility and also the company was not made any contributions towards Corporate Social Responsibility voluntarily. Therefore requirement to report on clause 3(xx) of the Order is not applicable to the Company.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Firm Registration Number: 010396S/S200084

Sd/

(Pei Reddy Talla

Partner

Membership No.236759

UDIN: 23236759BGXUAK2819

Place: Hyderabad

Date: 29-05-2023



Annexure 'B' referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ambica Agarbathies Aroma & Industries Limited of even date

Report on the Internal Financial Controls under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 (the "Act")

To
The Members of **Ambica Agarbathies Aroma & Industries Limited**

We have audited the internal financial controls with reference to financial statements of **AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with reference to these Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

**Sd/
(Pei Reddy Talla
Partner**

**Membership No.236759
UDIN: 23236759BGXUAK2819**

Place: Hyderabad
Date: 29-05-2023



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Balance Sheet as at 31st March, 2023

(All amounts in Lakhs except as otherwise stated except EPS)

Particulars	Notes	As on 31st March, 2023	As on 31st March 2022
Assets			
Non Current Assets			
Property, Plant and Equipment	2	12,152.68	12,151.46
Capital Work in progress		-	
Intangible Assets	2	1.72	1.51
Financial Assets			
Investments	3	825.06	765.72
Other non-current financial Assets	4	33.28	1,248.13
Other non-current assets	5	539.30	606.65
		13,552.05	14,773.47
Current Assets			
Inventories	6	254.36	1,309.62
Financial Assets			
Investments		-	-
Trade Receivable	7	1,917.04	2,895.52
Cash and cash equivalents	8	112.11	162.41
other current financial assets	9	4,168.30	2,638.62
Other current assets	10	377.31	134.99
		6,829.13	7,141.16
Total		20,381.17	21,914.63
Equity and Liabilities			
Equity			
Equity share capital	11	1,717.74	1,717.74
Other equity		8,776.52	8,525.93
		10,494.26	10,243.67
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	12	6,278.21	6,188.66
Other financial Liabilities	13	25.04	29.16
Deferred tax Liabilities (net)		2,069.17	2,016.65
		8,372.42	8,234.47
Current Liabilities			
Financial Liabilities			
Borrowings	12	4.16	169.23
Trade Payable	14	404.58	2,489.97
Other financial Liabilities	15	531.94	400.03
Provisions		-	-
Other current Liabilities	16	573.81	377.26
		1,514.49	3,436.49
Total		20,381.17	21,914.63

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements 1-28

As per our report of even date.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants
Firm Regn No.010396S/S200084

Sd/-
(Peri Reddy Talla)
Partner

Membership No-236759

Place: Hyderabad
Date: 29-05-2023

For and on behalf of the board

Sd/-
Ambica Krishna
Chairman and Managing Director

Sd/-
Satyavathi Perla
Executive Director

Sd/-
Uma Gayathri
Company Secretary

Sd/-
Alapati Ramachandra Rao
Director

Sd/-
Ambica Hanuma
Chief Financial Officer



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2023

(All amounts in Lakhs except as otherwise stated except EPS)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I. Revenue from operations	17	11,723.61	11,633.47
II. Other income	18	535.93	123.44
III. Total Revenue (I+II)		12,259.54	11,756.91
IV. Expenses:			
(a) Cost of materials consumed	19	3,382.73	1,001.86
(b) Purchases of stock-in-trade		5,784.94	7,699.80
(c) Changes in inventories of finished goods and work-in-progress and stock-in-trade	20	-	21.13
(d) Employee benefits expense	21	283.57	252.86
(e) Finance costs	22	853.59	1,151.20
(f) Depreciation and amortisation expense		184.17	326.18
(g) Other expenses	23	1,465.20	1,243.94
Total Expenses		11,954.21	11,696.97
V. Profit Before Tax (III-IV)		305.33	59.95
VI. Tax expense:			
(i) Current tax		-	-
(ii) Prior period Income Tax		-	-
(iii) Mat credit entitlement		-	-
(iv) Deferred tax		52.52	-180.13
		52.52	-180.13
VII. Profit (Loss) For The Period (V-VI)		252.81	240.08
VIII Other Comprehensive(Loss)/ Income			
(a) Net Changes in the fair value of Fixed Assets		-	-
(b) Income Tax on items that will not be reclassified subsequently to statement of profit and loss		-	-
Total Other Comprehensive(Loss)/ Income		252.81	240.08
IX Total Other Comprehensive Income (VII-VIII)			
X Earnings per equity share : Basic and diluted		1.47	1.40

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements 1-28

As per our report of even date.

For and on behalf of the board

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Firm Regn No.010396S/S200084

Sd/-
(Peri Reddy Talla)
Partner
Membership No-236759

Sd/-
Ambica Krishna
Chairman and Managing Director

Sd/-
Alapati Ramachandra Rao
Director

Sd/-
Satyavathi Perla
Executive Director

Sd/-
Ambica Hanuma
Chief Financial Officer

Sd/-
Uma Gayathri
Company Secretary

Place: Hyderabad
Date: 29-05-2023



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023

(All amounts in Lakhs except as otherwise stated except EPS)

Particulars	As at 31.03.2023	As at 31.03.2022
A. Cash Flows From Operating Activities:		
Net profit before taxation	305.33	59.97
Adjusted for :		
Interest Paid	784.34	1,083.87
Discounting Interest on Pref. Shares	67.34	67.34
Interest Income	-59.34	-
Loss on Sale of Assets	-	-
Depreciation	184.17	326.18
Operating profits before working capital changes	1,281.83	1,537.35
Changes in current assets and liabilities		
Inventories	1,055.26	49.50
Trade Receivables	978.48	(2,068.12)
Other Current assets	-559.35	824.97
Trade Payables	-2,085.40	1,116.55
Other Financial Liabilities and other current liabilities	159.23	143.35
Cash generated from operations	830.06	1,603.60
Income tax paid	-	-
Cash used(-)/(+)generated from operating activities (a)	830.06	1,603.60
B. Cash Flows From Investing Activities:		
Purchase of fixed assets and change in capital wip (Net)	-185.61	(23.30)
Proceeds from disposal of Fixed Assets	-	14.10
Interest Income	-	-
Cash used(-)/(+)generated in investing activities (b)	-185.61	(23.30)
C. Cash Flows From Financing Activities:		
Changes in Share Capital	-	-
Changes in Investments	-	(59.34)
Changes in Borrowings	89.59	(556.39)
Changes in Other Non Current Assets	-	34.54
Interest paid	-784.34	-1,091.87
Cash used(-)/(+)generated in financing activities (c)	-694.75	-1,673.06
Net increase(+)/decrease (-) in cash and cash equivalents (a+b+c)	-50.30	-92.76
Cash and cash equivalents at the beginning of the year	162.41	255.17
Cash and cash equivalents at the end of the year	112.11	162.41
Reconciliation of cash and cash equivalents		
Balances with banks	93.47	148.06
Cash-in-hand	18.64	14.35
Cash and Cash Equivalent as per Note - 8	112.11	162.40

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements 1-28

As per our report of even date.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants
Firm Regn No.010396S/S200084

Sd/-
(Peri Reddy Talla)
Partner
Membership No-236759

Place: Hyderabad
Date: 29-05-2023

For and on behalf of the board

Sd/-
Ambica Krishna
Chairman and Managing Director

Sd/-
Satyavathi Perla
Executive Director

Sd/-
Uma Gayathri
Company Secretary

Sd/-
Alapati Ramachandra Rao
Director

Sd/-
Ambica Hanuma
Chief Financial Officer



Notes forming part of the financial statements

Corporate information

Ambica Agarbathies & Aroma Industries Limited manufactures and sells incense sticks in India. The company owns a farm land with resort club house and health centre. It also involves in the film production and distribution activities; engages in wind power generation; and operates hotels in Chennai and Visakhapatnam. The company was founded in 1946 and is based in Eluru, India. The Company was incorporated on 21st April, 1995 and listed on BSE.

The Financial statements for the year ended 31st March, 2023 were approved by the Board of Directors and authorised for issue on 28th May, 2023.

1. Significant Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance Indian Accounting Standards (Ind As) according to the notification issued by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('the act') read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

1.2 Use of Accounting Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial Statements, the reported amount of revenues and expenses during the reported period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.3 Revenue recognition

Sale of goods:

Revenue is recognized when the company satisfies a performance obligation by transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis.

1.4 Property, plant and equipment & Capital work-in-progress

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

Capital work-in-progress comprises the cost of the fixed assets that are not yet ready for their intended use at the balance sheet date.

1.5 Depreciation

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The useful lives of assets are periodically reviewed and re-determined and the unamortised depreciable amount is charged over the remaining useful life of such assets. Assets costing Rs. 5,000/-and below are depreciated over a period of one year.



1.6 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment if any. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

1.7 Foreign Currency Transactions

The company translates all foreign currency transactions at Exchange Rates prevailing on the date of transactions. Exchange rate differences resulting from foreign exchange transactions settled during the year are recognized as income or expenses in the period in which they arise.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss account.

1.8 Taxes on Income

Income tax comprises current income tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

- a) **Current income tax:** Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.
- b) **Deferred tax:** Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.9 Earning Per Share (EPS)

In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per share is the weighted average shares used in outstanding during the period.

1.10 Investments

Long term unquoted investments are carried at amortised cost.

1.11 Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount from non financial assets may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash generating unit (CGU) exceeds its estimated recoverable amount in the statement of profit and loss.

1.12 Provisions and Contingent Liabilities

A Provision is recognized if, as a result of past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the present obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



1.13 Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity of another entity.

Initial Recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent Measurement

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved both by collection contractual cash flows on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding and selling financial assets.

Financial assets at fair value through Profit and Loss

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs that are directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit and Loss Account (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above are considered an integral part of the Company's cash management.

1.14 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.



Note 2 . Property, plant and equipment and Intangible assets including capital work in progress

(All amounts in Lakhs except as otherwise stated except EPS)

Particulars	Land	Buildings including lease hold	Plant and equipments	Furniture and Fixtures	Vehicles	Total (Property, plant and equipment)	Intangible Assets - Software
Deemed Cost							
As at 1st April, 2022	8,066.34	3,997.57	2,957.61	1,902.15	773.32	17,696.99	13.59
Additions	-	169.60	13.84	17.48	-	200.91	0.43
Reclassification	-	-	-	-	-	-	-
Disposals	-	-	6.72	-	11.00	17.72	-
As at March 31, 2023	8,066.34	4,167.17	2,964.72	1,919.63	762.32	17,880.19	14.02
As at 1st April, 2022	-	1,228.66	2,312.87	1,525.09	478.92	5,545.53	12.08
Reclassification/(Excess)	-	-	-	-	-	-	-
Charge for the year	-	80.95	51.67	21.03	30.31	183.96	0.21
Disposals	-	-	1.98	-	-	1.98	-
As at March 31, 2023	-	1,309.61	2,362.56	1,546.12	509.23	5,727.51	12.29
Net block							
As at March 31, 2023	8,066.34	2,857.56	602.17	373.51	253.09	12,152.68	1.72
As at March 31, 2022	8,066.34	2,768.91	644.74	377.07	294.40	12,151.46	1.51



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 3

Non-Current Investments

(All amounts in Lakhs except as otherwise stated except EPS)

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Financial Assets: Investments - non-current		
Investment carried at fair value through profit or loss		
Preference Shares in ACP Industries Ltd (3750000 Shares of Rs. 40/- each face value of Rs. 10/-)	825.06	765.72
Total	825.06	765.72

Note 4

Other Non current Financial Assets

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Other loans and advances		
Security Deposits (Valued at Cost)	33.28	48.13
Trade Deposits (Valued at Cost)	-	1,200.00
Capital Advances	-	-
Total	33.28	1,248.13

Note 5

Other Non current Assets

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Interest receivable on preference shares	539.30	606.65
Total	539.30	606.65

Note 6

Inventories

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Inventories		
Raw Materials	213.95	1,259.21
Packing Materials	11.00	21.00
Finished Goods	29.41	29.41
Total	254.36	1,309.62



**Note 7
Trade Receivables**

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Unsecured, considered good		
Others	1,917.04	2,895.52
Less: Allowances for receivables	-	-
Total	1,917.04	2,895.52

7A. Ageing Schedule of Trade receivables:

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
A) Undisputed Receivables considered good	1,917.04	2,895.52
Less than 6 months	-	-
6 months to 1 Year	1,917.04	2,895.52
1 Year to 2 Years	-	-
2 Year to 3 Years	-	-
More than 3 years	-	-
B) Undisputed Receivables considered doubtful	-	-
Less than 6 months	-	-
6 months to 1 Year	-	-
1 Year to 2 Years	-	-
2 Year to 3 Years	-	-
More than 3 years	-	-
Less : Provision for doubtful Debts	-	-
C) Disputed Receivables considered good	-	-
Less than 6 months	-	-
6 months to 1 Year	-	-
1 Year to 2 Years	-	-
2 Year to 3 Years	-	-
More than 3 years	-	-
D) Disputed Receivables considered doubtful	-	-
Less than 6 months	-	-
6 months to 1 Year	-	-
1 Year to 2 Years	-	-
2 Year to 3 Years	-	-
More than 3 years	-	-
E) Unbilled dues	-	-
Total	1,917.04	2,895.52



Note 8

Cash and cash equivalents

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Balances with Banks	93.47	148.06
Cash on hand	18.64	14.35
Total	112.11	162.41

Note 9

Other Current Financial Assets

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Deposits with others	-	-
Other Advances recoverable in cash or kind	4,168.30	2,638.62
Total	4,168.30	2,638.62

Note 10

Other current assets

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Balance With Statutory Authorities	324.73	103.76
GST Receivable	52.58	31.23
Total	377.31	134.99



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 11

Equity

Particulars	As at 31st March 2023		As at 31st March 2022	
	In Number	Amount (Rs.)	In Number	Amount (Rs.)
Authorised Equity Shares of Rs.10/- each	210.00	2,100.00	210.00	2,100.00
Issued Equity Shares of Rs.10/- each fully paid	171.77	1,717.74	171.77	1,717.74
Subscribed & Paid up Equity Shares of Rs.10/- each fully paid	171.77	1,717.74	171.77	1,717.74
Total	171.77	1,717.74	171.77	1,717.74

Reconciliation of number of shares outstanding for the period

Particulars	As at 31st March 2023		As at 31st March 2022	
	In Number	Amount (Rs.)	In Number	Amount (Rs.)
Equity Shares				
Shares outstanding at the beginning of the year	171.77	1,717.74	171.77	1,712.95
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	171.77	1,717.74	171.77	1,712.95

Particulars of Share Holders Holding more than 5% shares during the period

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Venkata Rajya Lakshmi Sravika Sakala	19.00	11.06%	19.00	11.06%
Ramachandra Rao Alapati G N V S A	14.65	8.53%	14.65	8.53%
P V V P Krishna Rao	13.92	8.10%	13.92	8.10%
Alapati Ramanjaneyulu	12.39	7.21%	12.39	7.21%
Rajeshwar Rao Alapati	12.11	7.05%	12.11	7.05%
Puvvada Bhaskar Rao	9.00	5.24%	9.00	5.24%
Total	81.07	47.19%	81.07	47.19%



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

c) Shares held by promoters As at 31 March 2023

Promoter Name	Class of Equity share	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% of Total Shares
Ramachandra Rao Alapati G N V S A	Equity Shares	14,64,950	-	14,64,950	8.53%	0.00%
Ramanjanayalu Alapati	Equity Shares	12,38,800	-	12,38,800	7.21%	0.00%
Ambika Prasad Alapati A V	Equity Shares	4,72,071	-	4,72,071	2.75%	0.00%
Satyamala Alapati	Equity Shares	1,39,700	-	1,39,700	0.81%	0.00%
Alapati Lalitha Kumari	Equity Shares	1,39,950	-	1,39,950	0.81%	0.00%
Alapati Rama Lakshmi	Equity Shares	1,39,950	-	1,39,950	0.81%	0.00%
A Janaki	Equity Shares	1,11,450	-	1,11,450	0.65%	0.00%
A P J Suneetha	Equity Shares	1,11,450	-	1,11,450	0.65%	0.00%
Rajeshwar Rao Alapati N V S K M	Equity Shares	12,11,713	-	12,11,713	7.05%	0.00%
P V V P Krishna Rao	Equity Shares	13,91,806	-	13,91,806	8.10%	0.00%
Sudarshan Perla T N V A R	Equity Shares	3,55,403	-	3,55,403	2.07%	0.00%
Anjani Yasoda Madhavi Perla	Equity Shares	5,11,450	-	5,11,450	2.98%	0.00%
Satyavathi Perla	Equity Shares	1,39,989	-	1,39,989	0.81%	0.00%
Alapati Ambica Hanuma	Equity Shares	2,18,325	-	2,18,325	1.27%	0.00%
Alapati Ambica Sivakumar	Equity Shares	2,18,325	-	2,18,325	1.27%	0.00%
Santoshi A	Equity Shares	4,40,200	-	4,40,200	2.56%	0.00%
Total		83,05,532	-	83,05,532	48.35%	0.00%

As at 31 March 2022

Promoter Name	Class of Equity share	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% of Total Shares
Ramachandra Rao Alapati G N V S A	Equity Shares	14,64,950	-	14,64,950	8.53%	0.00%
Ramanjanayalu Alapati	Equity Shares	12,38,800	-	12,38,800	7.21%	0.00%
Ambika Prasad Alapati A V	Equity Shares	4,72,071	-	4,72,071	2.75%	0.00%
Satyamala Alapati	Equity Shares	1,39,700	-	1,39,700	0.81%	0.00%
Alapati Lalitha Kumari	Equity Shares	1,39,950	-	1,39,950	0.81%	0.00%
Alapati Rama Lakshmi	Equity Shares	1,39,950	-	1,39,950	0.81%	0.00%
A Janaki	Equity Shares	1,11,450	-	1,11,450	0.65%	0.00%
A P J Suneetha	Equity Shares	1,11,450	-	1,11,450	0.65%	0.00%
Rajeshwar Rao Alapati N V S K M	Equity Shares	12,11,713	-	12,11,713	7.05%	0.00%
P V V P Krishna Rao	Equity Shares	13,91,806	-	13,91,806	8.10%	0.00%
Sudarshan Perla T N V A R	Equity Shares	3,55,403	-	3,55,403	2.07%	0.00%
Anjani Yasoda Madhavi Perla	Equity Shares	5,11,450	-	5,11,450	2.98%	0.00%
Satyavathi Perla	Equity Shares	1,39,989	-	1,39,989	0.81%	0.00%
Alapati Ambica Hanuma	Equity Shares	2,18,325	-	2,18,325	1.27%	0.00%
Alapati Ambica Sivakumar	Equity Shares	2,18,325	-	2,18,325	1.27%	0.00%
Santoshi A	Equity Shares	4,40,200	-	4,40,200	2.56%	0.00%
G Sathyanarayana	Equity Shares	-	-	-	0.00%	0.00%
Total		83,05,532	-	83,05,532	48.35%	0.00%



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 12 Borrowings

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Non current		
Secured Loans		
Vehicle Loans Taken from Banks and Financial Institutions	4.41	50.28
LIC Housing Finance Limited	6,078.74	6,105.33
Less: Current Maturites of Long Term Debts from Bank and Financials Institution	-	-
Unsecured Loans	-	-
Loans from Directors and Relatives	-	-
From Others	25.84	33.05
	6,108.98	6,188.66
Current		
Secured:		
(a) Loan repayable on demand :	-	-
Working Capital Loan - CC	-	-
Current Maturites of Long Term Debts from Bank and Financials Institution	169.23	169.23
Unsecured Loans	-	-
Loans from Directors and Relatives	-	-
From Others	4.16	-
	173.39	169.23
Total	6,282.37	6,357.89

Vehicle Loan are secured by the hypothecation of respective vehicles for which loans are availed.

* Loan from LIC Housing Finance Limited is secured against company immovable property i.e., Hotel Ambica Empire Located in Chennai

Note 13 Other Financial Liabilities - Non Current

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Trade Deposits	-	-
Other Payables on Demand	25.04	29.16
Total	25.04	29.16

Note 14 Financial liabilities - Trade payables

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Trade Payable		
Related parties	-	-
Others	404.58	2,489.97
Total	404.58	2,489.97



14A. Ageing Schedule of Trade Payables:

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(I) MSME	-	-
Less than 1 Year	-	-
1 to 2 Years	-	-
2 to 3 Years	-	-
More than 3 Years	-	-
(ii) Others	404.58	2,489.97
Less than 1 Year	404.58	2,489.97
1 to 2 Years	-	-
2 to 3 Years	-	-
More than 3 Years	-	-
(iii) Disputed dues - MSME	-	-
Less than 1 Year	-	-
1 to 2 Years	-	-
2 to 3 Years	-	-
More than 3 Years	-	-
(iv) Disputed dues - Others	-	-
Less than 1 Year	-	-
1 to 2 Years	-	-
2 to 3 Years	-	-
More than 3 Years	-	-
Total	404.58	2,489.97

Terms and conditions of the above financial liabilities:

i) Trade payables are non-interest bearing and are normally settled on 30-45 days terms.

ii) The dues to related party are unsecured and are normally payable within 30 days from the date of receipt of demand.



**Note 15
Financial liabilities - others**

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Salaries Payable	-	-
Other Payables including employee benefits	531.94	400.03
Total	531.94	400.03

**Note 16
Other Current Liabilities**

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
TDS Payable	-	-
Provision for Income tax	-	-
Unpaid Dividend	6.24	6.24
Other Payables	567.57	371.02
Total	573.81	377.26

**Note 17
Revenue from operations**

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Revenue from Sales of Products - Domestic	10,944.11	11,068.01
Revenue from Sales of Services - Hotel Division	747.66	546.66
Revenue from Sales of Products - Exports	31.85	18.80
Other Operating revenues	-	-
Total	11,723.61	11,633.47

**Note 18
Other income**

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Interest	411.48	59.85
Discounting Interest Income on Pref. Shares	59.34	55.07
Profit on sale of assets	-	-
Other Non Operating Income	65.11	8.51
Total	535.93	123.44



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 19 Cost of Material Consumed

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Opening Stock		
Raw Material	1,218.00	1,248.00
Packing Materials	21.00	21.00
	1,239.00	1,269.00
Add: Purchases		
Raw Materials	2,034.16	675.28
Packing Materials	296.58	296.58
	2,330.74	971.86
Less: Closing Stock		
Raw Materials	176.00	1,218.00
Packing Materials	11.00	21.00
	187.00	1,239.00
Cost of Material Consumed		
Raw Materials	3,097.15	726.28
Packing Materials	285.58	275.58
	3,382.73	1,001.86

Note 20 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Opening Stock		
Durbar	16.00	-
Scented	-	37.13
Oil	2.21	2.21
Camphor	2.10	2.10
Turmeric	4.25	4.25
Kumkum	4.85	4.85
Total (a)	29.41	50.53
Closing Stock		
Durbar	16.00	16.00
Scented	-	-
Oil	2.21	2.21
Camphor	2.10	2.10
Turmeric	4.25	4.25
Kumkum	4.85	4.85
Total (b)	29.41	29.41
		-
Total (a-b)	-	21.13



**Note 21
Employee Benefits Expense**

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Salaries and wages	234.05	175.80
Remuneration to Directors	39.60	70.80
Bonus	-	-
Contribution to employee benefits	8.01	6.26
Staff welfare expenses	1.90	-
Total	283.57	252.86

**Note 22
Finance costs**

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Interest on Term Loans & Others	783.77	1,083.60
Discounting Interest Expense on Pref. Shares	67.34	67.34
Other Borrowing Cost	-	-
Bank Charges	2.48	0.26
Total	853.59	1,151.20



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 23 Other expenses

Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Advertisement Expenses	152.05	18.61
AMC Charges	26.18	8.85
Agarbathi Making & Packing Charges	45.73	39.51
AGM Expenses	24.42	0.76
Freight	147.17	137.40
Insurance	17.84	18.62
Interest on Taxes	10.96	19.17
Listing Fee	5.60	5.40
Linen and Room Supplies	48.32	62.26
Office Maintenance	164.54	114.14
Postage and Courier	1.84	2.35
Power and Fuel Charges	131.22	106.17
Printing & Stationary	7.66	7.00
Professional and Consultancy Expenses	12.86	28.66
Rates and Taxes	33.35	69.44
Rent	117.27	56.07
Repairs and Maintenance	114.13	164.91
Sales Promotion	137.28	225.41
Travelling and Conveyance	137.56	112.43
Vehicle Maintenance	48.93	35.73
Internal Audit Fee	4.20	3.55
Audit Fee	3.80	7.50
Customduty	20.63	-
R & M	51.67	-
Total	1,465.20	1,243.94



Notes forming part of financial statements

Note 24: Ratio Analysis and its elements

(All amounts in Lakhs except as otherwise stated except EPS)

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change
Current ratio	Current Assets	Current Liabilities	4.51	2.08	2.43
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.60	0.62	-0.02
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.69	1.01	0.68
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.02	0.02	0.00
Inventory Turnover ratio	Cost of goods sold	Average Inventory	11.72	6.54	5.18
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	4.87	6.25	-1.38
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.61	4.66	0.95
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	2.21	3.14	-0.93
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.02	0.02	0.00
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.06	0.06	-0.00
Return on Investment	Interest (Finance Income)	Investment	0.07	0.07	0.00



Note 25. Additional Disclosures

(All amounts in Lakhs except as otherwise stated except EPS)

25.1	During the year the company has not proposed dividends during the year.
25.2	During the year the company has not issued securities for Specified purpose.
25.3	Borrowings taken by the Company from banks and financial institutions are fully utilised for the specific purpose it was taken.
25.4	The Company did not have any assets other than Property, Plant and Equipment, Intangible assets.
25.5	The Title deeds of immovable property(land and building) included in Property, Plant and Equipment held are in the name of the company.
25.6	During the company has not revalued its Property, Plant and Equipment during the year
25.7	During the year the Company has not made any Loans and Advances in the nature of Loans granted to Promoters, Director's, KMP's and related parties except the parties which are disclosed in related parties transactions.
25.8	No proceedings have been initiated during the year or are pending against the company at March 31, 2023 and March 31, 2022 for holding any binami property under Binami transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under
25.9	During the year the Company has not declared as wilful defaulter by any bank, financial Institution or other lender.
25.10	There are no charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
25.11	The Company do not have any Layer of companies
25.12	During the year the company do not have any approved scheme of arrangements
25.13	During the year the Company has not taken any borrowings to directly or indirectly lend or invest in third parties or entities or Ultimate beneficiaries
25.14	During the year the Company has not provided any security or guarantee or the like on behalf of the Ultimate beneficiaries
25.15	During the year the Company is not covered u/s 135 of the Companies Act, 2013.
25.16	During the year the company does not have any Undisclosed Income during the Year.
25.17	During the year the company has not invested in Crypto currency or Virtual currency.



Note No. 26. Related Party Disclosure

The company principal related parties consist of its key managerial personnel and enterprises over which directors or his relatives has Significant Influence. The material related party transactions and outstanding balances are with related parties with whom the company routinely enter into transactions in the ordinary course of business. Transactions with related parties are as follows:

S.No.	Name of the Related Party	Relationship
1.	Satyavathi Perla	Executive Director
2.	Ambica Ramachandra Rao Alapati Ganga Naga Venkata	Director
3.	Ambica Krishna	Chairman & Managing Director
4.	Ambica Siva Kumar Alapati	Executive Director
5.	Ambica Hanuma Alapati	Chief Financial Officer (Key Managerial Person)
6.	Karthik Hanuma Kumar	Son of Director
7.	Ambica Ramachandran	Grand Son of Director
8.	Venkatesan Sreedharan	Non-Executive - Independent Director
9.	Thandavakishore Puvvada	Non-Executive - Independent Director
10.	Chunduru Anjaneya	Non-Executive - Independent Director
11.	Uma Gayathri	Company Secretary (Key Managerial Person)
12.	ACP Industries Limited	Entity in which Director relative is Director
13.	Elite Agro Trading	Entity in which Director relative is partner
14.	Om Trading	Entity in which KMP is partner
15.	Ambica Trendset Private Limited	Common Directors
16.	Ambica Entertainment Private Limited	Common Directors
17.	Fine Green Constructions Private Limited	Common Directors
18.	Fine Aromas private Limited	Common Directors
19.	Ambica Complex	Entity in which Director relative is partner
20.	Ambica Deluxe Theatre	Entity in which Director relative is partner



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

A. Related party Transactions for the year ended March 31, 2023:

(Amount in Lakhs)

Nature of transaction/ relationship/Major parties		Transactions		Balance Outstanding	
		2022-23	2021-22	2022-23	2021-22
S.No.	Particulars	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs
	ACP Industries Limited				
1.	Purchases	4881.39	4,036.24	-	726.54
	Caution Deposit	1200.00	-	-	1,200.00
	Investment valued at cost	-	-	1,500.00	1,500.00
	Other Loans and advances	20.97	-	20.97	-
2.	Elite Agro Trading				
	Sales	-	999.11	-	-
3.	Ambica Trendset Private Limited				
	Other Loans and advances	-	88.74	-	-
4.	Ambica Entertainment and Ventures Private Limited				
	Other Loans and advances	-	-	62.87	62.87
5.	Fine Green Constructions Pvt. Ltd.,				
	Other Loans and advances (Net)	-	-	2.57	2.57
6.	Fine Aromas Private Limited				
	Other Loans and advances	0.05	-	40.31	40.26
7.	Palmella Enterprises Pvt Ltd				
	Other Loans and advances	220.46	-	220.46	-
8.	Ambica Deluxe Theatre				
	Other Loans and advances	-	-402.96	-	-

B. List of Transactions with directors and key management personnel

(Amount in Lakhs)

Particulars	Remuneration Paid in FY 2022-23	Remuneration Paid in FY 2021-22
Ambica Krishna	12.00	24.00
A Ramachandra Rao	15.60	15.60
Ambica Hanuma Alapati	15.60	15.60
A Siva Kumar	15.60	15.60
P Satyavathi	12.00	15.60
Uma Gayathri	2.40	-
Karthik Hanuma Kumar	12.00	6.0
Ambica Ramachandran	12.00	12.00



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

C. Remuneration and reimbursement of expenses to non-executive directors and independent directors (Amount in Lakhs)

Particulars	Paid in FY 2022-23	Paid in FY 2021-22
Nil	Nil	Nil

Note No. 27. Earnings Per Share

S.No.	Particulars	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
1	Profit after Tax	2,52,80,834	2,40,09,862
2	Weighted average no. of Equity Shares	1,71,77,400	1,71,77,400
3	Face value per Share	10.00	10.00
4	Basic earnings per Share	1.47	1.40
5	Diluted earnings per Share	1.47	1.40

Note No. 28. Contingent liabilities

(a) Contingent liabilities

"Claims against the Company not acknowledged as debts:

I) On account of Direct Tax matter - Rs. 1158.52 lakhs*

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process with respect to Direct Tax and Indirect tax matters. No tax expense has been accrued in the financial statements for the tax demand raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Note No. 29

Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosures.

As per our report of even date.

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Regn No.010396S/S200084

Sd/-
(Peri Reddy Talla)
Partner
Membership No-236759

Place: Hyderabad
Date: 29-05-2023

For and on behalf of the board

Sd/-
Ambica Krishna
Chairman and Managing Director

Sd/-
Satyavathi Perla
Executive Director

Sd/-
Uma Gayathri
Company Secretary

Sd/-
Alapati Ramachandra Rao
Director

Sd/-
Ambica Hanuma
Chief Financial Officer



NOTES FORMING PART OF FINANCIAL STATEMENTS

Statement of Changes in Equity

A. Equity

(All amounts in Lakhs except as otherwise stated except EPS)

Particulars	in No's	in Rs.
Balance as on 1st April 2022	171.77	1,717.74
Changes in equity share capital during the year	-	-
Equity Balance as on 31 March 2023	171.77	1,717.74

B. Other Equity

Particulars	General Reserves	Security Premium	Capital Reserve	Invest Subsidy	Other Comprehensive Income	Retained Earnings	Total other equity attributable to Equity holders
Balance as at 1 April 2022	177.72	248.00	5.21	13.94	6,299.67	1,781.39	8,525.93
Profit for the Year	-	-	-	-	-	252.81	252.81
Other Adjustments	-	-	-	-	-	-2.21	-2.21
Other Comprehensive income	-	-	-	-	-	-	-
Other Equity Closing Balance as at 31 March 2023	177.72	248.00	5.21	13.94	6,299.67	2,031.99	8,776.53

As per our report of even date.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Firm Regn No.010396S/S200084

**Sd/-
(Peri Reddy Talla)**

Partner

Membership No-236759

For and on behalf of the board

Sd/-

Ambica Krishna

Chairman and Managing Director

Sd/-

Alapati Ramachandra Rao

Director

Sd/-

(Satyavathi Perla)

Executive Director

Sd/-

Ambica Hanuma

Chief Financial Officer

Sd/-

Uma Gayathri

Company Secretary



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 28th 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):
The members of the Company, holding shares either in physical form or in dematerialized form, as on Monday, 18th day of September 2023, being the cutoff date, may cast their vote (for or against) electronically.
- b. Commencement of e - voting: From 9.00 A.M. on Friday 22nd September, 2023 to 05.00 P.M on Sunday, 24th September, 2023
- c. E-voting shall not be allowed beyond 05.00 P.M. on Sunday, 24th September, 2023. 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 Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

INTRUCTIONS TO SHAREHOLDERS FOR E-VOTING

- (i) The voting period begins on from 9.00 A.M. on Friday 22nd September, 2023 to 05.00 P.M on Sunday, 24th September, 2023. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800225533.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.



- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; ambicaagarbathi@rediffmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

GENERAL INSTRUCTIONS

- i. The scrutinizer shall, immediately after the conclusion of voting at the AGM, unlock the votes through e-voting and remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, within two working days from the conclusion of the Meeting, a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company. The results shall simultaneously be communicated to the Stock Exchanges. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., September 25th, 2023.
- ii. The voting results will be announced by the chairman or any other person authorised by him within two working days of the AGM.

**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



ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING
(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Ambica Agarbathies Aroma & Industries Limited.

I hereby record my presence at the 28th Annual General Meeting of the shareholders of Ambica Agarbathies Aroma & Industries Limited on Monday, 25th September 2023 At 11 A.M at the Registered Office of the Company at Shankar Towers, Power Pet, Eluru, West Godavari District Andhra Pradesh - 534 002

DP ID*	Reg. folio no.
Client ID*	No of shares

*Applicable if shares are held in electronic form

Name and Address of Member

Signature of Shareholder
Representative (Please Specify)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

FORM NO. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L24248AP1995PLC020077
Name of the Company	AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED
Registered Office	At Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh - 534 002
Name of the Member	
Registered Address	
Email ID	
Folio No/ Client ID	DP ID.:

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1 Name :	
Address	
Email ID	Signature
Or failing him	
2 Name :	
Address	
Email ID	Signature
Or failing him	
3 Name :	
Address	
Email ID	Signature
Or failing him	

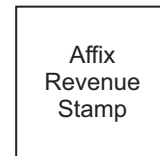


AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on the Monday, 25th September 2023 At 11:00 A.M at Registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No	Resolutions	For	Against
1.	To consider and adopt the Audited financial statement of the Company for the financial year ended March 31, 2023 the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a director in place of Shri. Ambica Ramachandra Rao Surya (DIN-01678538), who retires by rotation and being eligible offers himself for re-appointment as a director in the Ccompany.		
3.	Appointment of M/s Ramasamy Koteswara Rao & Co LLP, Chartered Accountants as the statutory Auditors of the Company		
4.	Increase in The Borrowing Powers of The Company		

Signed this day of 2023.



Signature of shareholder:

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Form No. MGT-12

POLLING PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and
Rule 21(1)(c) of the Companies
(Management and Administration) Rules, 2014]

AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

(CIN: L24248AP1995PLC020077)

Registered Office: At Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh - 534 002

BALLOT PAPER

1. Name of the First Named Shareholder (in block letters)
2. Postal address:
3. Registered Folio No./*Client ID No.
(*Applicable to investors holding shares in dematerialized form)
4. Class of Share(s)

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Sl.No	Resolutions	For	Against
1.	To consider and adopt the Audited financial statement of the Company for the financial year ended March 31, 2023 the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a director in place of Shri. Ambica Ramachandra Rao Surya (DIN-01678538), who retires by rotation and being eligible offers himself for re-appointment as a director in the Ccompany.		
3.	Appointment of M/s Ramasamy Koteswara Rao & Co LLP, Chartered Accountants as the statutory Auditors of the Company		
4.	Increase in The Borrowing Powers of The Company		

Affix
Revenue
Stamp

Place:
Date:

(Signature of the Shareholder)



if undelivered please return to :

AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED
SHANKAR TOWERS, POWERPET,
ELURU, WEST GODAVARI DIST,
ANDHRA PRADESH - 534002