



AMBICA AGARBATHIES AROMA & INDUSTRIES LTD

POWERPET, ELURU - 534 002 W.G.D.T. (A.P.)

PHONES : 230629, 230216, FAX : 08812 - 233876

DATE: 06TH SEPTEMBER, 2019

To
Corporate Relationship Department
BSE LIMITED
P J Towers, Dalal Street,
MUMBAI- 400001
SCRIP CODE: 532335

To
Manager
National Stock Exchange of India Limited
Exchange Plaza", Bandra (E)
Mumbai-400051
SCRIP CODE: AMBICAAGAR

Dear Sir,

Sub: - Annual Report for the Financial Year 2018-19

With reference to the Above Cited Subject, Please find the enclosed Annual Report for the financial year 2018-19 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations-2015.

The said annual report has also been uploaded on the company website.

This is for the information and necessary records

Yours truly,

For **Ambica Agarbathies Aroma & Industries Limited**

AMBICA HANUMA
Chief Financial Officer

24th
Annual Report
2018 - 2019



**AMBICA AGARBATHIES
AROMA & INDUSTRIES LIMITED**



24th ANNUAL GENERAL MEETING

MONDAY 30th, SEPTEMBER, 2019

at 11.00 A.M.

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

Index	Page
1. Corporate Information	02
2. Notice	03
3. Directors Reports	13
4. Auditors Reports	58
5. Balance Sheets	67
6. Profit & Loss Account	68
7. Cash Flow Statement	69
8. Notes	70
9. Instructions for E-voting Process	85
10. Attendance Slip	87
11. Proxy Slip	89
12. Route Map	91



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

COMPANY BOARD

Ambica Krishna	CEO & President
Satyavathi Perla	Chairman & Executive Director
Ambica Ramachandra Rao	Executive Director
Ambica Siva Kumar Alapati	Executive Director
Sreedharan Venkatesan	Independent Director
P Kishore Thandava	Independent Director
Narayanam Kameswara Rao	Independent Director
Ambica Hanuma Alapati	CFO
Uma Gayathri	Company Secretary & Compliance Officer

CORPORATE INFORMATION

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

BOARD COMMITTEES			
AUDIT COMMITTEE		REMUNERATION COMMITTEE	
P. V.Sreedharan	- Chairman	P.V. Sreedharan	- Chairman
P. Kishore Thandava	- Member	P. Kishore Thandava	- Member
Narayanam Kameswara Rao	- Member	Narayanam Kameswara Rao	- Member
STAKEHOLDERS RELATIONSHIP COMMITTEE			
P.V. Sreedharan	- Chairman		
P. Kishore Thandava	- Member		
Narayanam Kameswara Rao	- Member		



NOTICE

Notice is hereby given that the 24th Annual General Meeting (AGM) of the members of the Company will be held on Monday 30TH SEPTEMBER, 2019 AT 11.00 AM at Registered Office of the Company situated at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh - 534002 to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited financial statement of the Company for the financial year ended March 31, 2019 the reports of the Board of Directors and Auditors thereon;
2. To appoint a director in place of Ambica Siva Kumar Alapati (DIN- 00392295), who retires by rotation and being eligible offers himself for re-appointment as a director in the company.

SPECIAL BUSINESS

3. APPOINTMENT OF AMBICA RAMACHANDRA RAO AS DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 161 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and all other applicable provisions, if any, of the Act Sri Ambica Ramachandra Rao, who was appointed as Additional Director by the Board with effect from 11th February, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act along with the deposit of requisite amount proposing the candidature of Ambica Ramachandra Rao for the office of Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.”

4. TO APPROVE THE APPOINTMENT AND REMUNERATION OF SRI AMBICA RAMACHANDRA RAO AS WHOLETIME DIRECTOR OF THE COMPANY

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

“RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required, the consent of the Members be and is hereby accorded for the appointment of Sri Ambica Ramachandra Rao (DIN: 01678538) as Whole time Director of the Company for a period of 3 (three) years with effect from 11th February, 2019 with a remuneration of Rs 1,50,000/- per month with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments there to”.

“RESOLVED FURTHER THAT in pursuance of the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed there under Sri Ambica Ramachandra Rao (DIN: 01678538) as Whole time Director, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Whole time Director, in accordance with the provisions of Schedule V to the Companies Act, 2013”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions”.

5. APPOINTMENT OF SRI. VENKATESAN SREEDHARAN (DIN 03453379) AS NON-EXECUTIVE, INDEPENDENT DIRECTOR OF THE COMPANY

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



“RESOLVED THAT pursuant to the provisions of Sections 149,150, 152, 160 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri Venkatesan Sreedharan (DIN: 03453379), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years from the conclusion of this AGM till the conclusion of 29th AGM and whose office shall not be liable to retire by rotation”.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to the continuation of directorship of Sri. P. Sreedharan Venkatesan (DIN: 03453379) after he attains the age of 75 years, as a Non-Executive, Independent Director of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions.

6. APPOINTMENT OF SRI. P KISHORE THANDAVA (DIN:02398928) AS NON-EXECUTIVE, INDEPENDENT DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of

Sections 149,150, 152, 160 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri. P Kishore Thandava (DIN : 02398928), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years from the conclusion of this AGM till the conclusion of 29th AGM and whose office shall not be liable to retire by rotation”.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions.

7. APPROVAL FOR RELATED PARTY TRANSACTIONS

To pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 188 and other applicable provisions if any, of the Companies Act, 2013, in terms of the Rule 15 of the Companies (Meetings of Board and its Powers) Rule 2014 and also Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other Regulations, Guidelines and Laws (including any statutory modifications or re enactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

concerned authorities while granting such approvals, which may be agreed to by the Board of Directors of the Company, consent of the members be and is Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution for entering into transactions, contracts or arrangements on such terms and condition as the Board may think proper and beneficial for the Company with related party of the Company, during every financial year commencing from 1st October, 2019 up to the maximum amounts per financial year, as mentioned herein below for a period of 3 years with the following Party detailed below:"

Name of the related party	Nature of the contract	Monetary value per Financial Year
ACP INDUSTRIES LIMITED	PURCHASE & SALES OF DARBAR AGARBATHIES	Rs. 75 Crores
ACP INDUSTRIES LIMITED	PURCHASE & SALES OF RAW MATERIALS	Rs. 50 Crores
ACP INDUSTRIES LIMITED	RECEIVING & ISSUING OF LOAN & ADVANCES	Rs. 50 Crores

"RESOLVED FURTHER THAT all such transaction(s) entered by the Company with the aforesaid party during the year April 2018-September 2019 be and is hereby approved and ratified

"RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and settle the terms and condition of related party transactions and all others matters incidental thereto and to give such direction as considered necessary including delegating all or any of the powers herein conferred to any committee of directors, executive chairman, managing director, whole time director(s), director(s) and/or any officers of the Company, and authorize them to sign and execute all agreements, application, contracts, deeds, and/or documents that may be required, on behalf of the Company and the Board hereby further authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental thereto without being required to seek any further consent or approval thereto, for the purpose of giving 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: 22.08.2019



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 24th September, 2019 to Monday 30th September, 2019 (both day inclusive) for the purpose of 24th Annual General Meeting.
7. Members are requested to quote ledger folio/DP id/client id number in all their correspondence to avoid delay in communication.
8. Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. up to the date of the meeting.
9. Members/Proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.
10. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility.

11. VOTING THROUGH ELECTRONIC MEANS

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 member's facility to exercise their right to vote at the 24th 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):

It may be noted that this e-voting facility is optional. The e-voting facility link will be available at the Company's Website during the following voting period:

COMMENCEMENT OF E - VOTING: From 10.00 A.M. on, Friday 27th September, 2019 to 5.00 P.M. on Sunday 29th, September, 2019



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

E-voting shall not be allowed beyond 5.00 P.M. on Sunday 29th, September, 2019. During the e-voting period, shareholders of the Company, holding shares either in physical form, as on Tuesday 24th September, 2019 may cast their vote electronically.

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members, who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice.

Those members who have registered their e-mail IDs with the Company are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

The Company has appointed **Mr. Jineshwar Kumar Sankhala**, Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

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

Sd/-
Uma Gayathri
Company Secretary and Compliance officer.

Place: Eluru
Date: 22.08.2019



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

Item No 3:

Sri Ambica Ramachandra Rao has 2 decades of experience in production of agarbathies and related products has good experience in handling day to day operation of the factory, was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 11th February, 2019.

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

Pursuant to the provisions of Section 160 of the Companies Act, 2013 any such proposal needs to be approved by the members in their General Meeting. Hence, the Board recommends the resolution for your consideration and approval.

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

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

Item No 4 :

The Board of Directors of the Company in its meeting held on 11th February, 2019, has appointed Sri Ambica Ramachandra Rao as Whole time Director of the Company for a period of three (3) years w.e.f. 11th February, 2019 subject to the approval of members. Further, Sri Ambica Ramachandra Rao was re-designated as Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013

The present term of Sri Ambica Ramachandra Rao as Whole time Director of the Company will expire by efflux of time on February 10, 2022. The Board authorised the Nomination and Remuneration Committee to approve the remuneration of 18,00,000 per annum (150,000 per month) and such other revision in remuneration from time to time within the limit as approved by the Board in accordance with the provisions of Schedule V to the Companies Act, 2013.

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

General Information		
Nature of Industry	Agarbathies & Hotel Industries	
Date or expected date of commencement of commercial production	Existing Unit	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable	
Financial performance based on given indicators	Financial Year 2018-19	Financial Year 2017-18
Total Income (Net of Taxes)	1,410,280,594	1,269,476,341
Profit/loss before tax	35,635,618	-173,563,578
Net Profit After Taxation	102,469,596	-178,218,589
Export performance and net foreign exchange collaborations	Not applicable	
Foreign investments or collaborations, if any	Not applicable	



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Information about the appointee	
Background details	More than 2 decades of experience in Purchase and marketing
Past remuneration	1,00,000 per month
Recognition or awards	None
Job profile and his suitability	Whole Time Director
Remuneration proposed	150,000 per month
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Minimal
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Existing Shareholder of the Company and Promoter.

Other Information	
Reasons of loss or inadequate profits	The inadequate profit is due to change in the accounting System, The company has implemented IND AS
Steps taken or proposed to be taken for improvement	Measures already taken to improve the performance
Expected increase in productivity and profits in measurable terms	In the coming financial year

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

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

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

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

Item No-5 & 6:

Sri Venkatesan Sreedharan and Sri P Kishore Thandava were appointed as an Independent Non-Executive Director of the Company by the members at the 19th AGM of the Company held on 29th September, 2014 for a period of five consecutive years.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152, 160 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri Venkatesan Sreedharan and Sri P Kishore Thandava being eligible for re-appointment as an Independent Director and offering themselves for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from conclusion of 24th AGM till the conclusion of 29th AGM.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

The Company has received declaration from them stating that they meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also given their consent to continue to act as Director of the Company, if so appointed by the members.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Venkatesan Sreedharan and Sri P Kishore Thandava as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Sri Venkatesan Sreedharan and Sri P Kishore Thandava as an Independent Director for another term of five consecutive years with effect from conclusion of 24th AGM till the conclusion of 29th AGM, for the approval by the shareholders of the Company.

Except Sri Venkatesan Sreedharan and Sri P Kishore Thandava, being an appointee and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 & 6 of the accompanying Notice of the AGM. Sri Venkatesan Sreedharan and Sri P Kishore Thandava are not related to any Director of the Company.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering that during the course of term of appointment of Sri Venkatesan Sreedharan has already attained the age of seventy five (75) years, it is necessary to approve continuation of his directorship on the Board of Directors of the Company by way of a special resolution.

The Board of Directors recommends the resolution in relation to the appointment of Sri Venkatesan Sreedharan as Non-Executive Independent Director of the Company as set out in Item No. 5 for approval of the Members by way of a Special Resolution.

Profiles and justification for continuation of the directorship of Sri Venkatesan Sreedharan is stated below:

Sri Venkatesan Sreedharan

Sri Venkatesan Sreedharan, born on November 15, 1937, is a Non-Executive Independent Director of the Company. He holds a Bachelor's degree in commerce and is a Fellow of Institute of Chartered Accountants in India. As an eminent Chartered Accountant with more than 5 decades of experience & specialist in Finance and related matters.

He has been an active member of the Board and the Board Committees of which he is a member. He brings independent judgment on the Board of the Company and his continued association will be valuable and positive. With his expertise, skills and knowledge, particularly in the field of finance and accounts, he articulates and provides his valuable guidance and inputs in all matters pertaining to the financial statements. He is physically fit and current with finance and business matters.

Details of Sri Venkatesan Sreedharan attendance at the Board, Committee and General Meetings held during the last three financial years are given below:

Financial year	Board meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Annual General Meeting
2018-19	6 out of 6	6 out of 6	2 out of 2	yes
2017-18	5 out of 5	5 out of 5	5 out of 5	Yes
2016-17	7 out of 7	4 out of 4	4 out of 4	Yes



Item No. 7

As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of the Companies (Meeting of Board and its Power) Rules, 2015. Proviso to Section 188 further provides that nothing contained in sub-section (1) of Section 188 applies where transactions are entered into by the company in the ordinary course of business other than transactions which are not on an arm's length basis. As per the provisions of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has come into operation with effect from October 1, 2014 has also prescribed seeking of shareholders' approval for material related party transactions.

The proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions, the following contracts / arrangements / transactions are material in nature and require the approval of the shareholders of the Company by a special resolution:

These transactions are in ordinary course of business at arm length and are of continuous in nature not for a specific period, whereas the agreement/arrangement is entered for 3 years. The respective transactions held between the aforesaid related parties are at arm's length basis and all factors relevant to the respective contracts have been considered and approved by the Audit Committee and the Board of Directors.

The members are further informed that no member(s) of the company being a related party or having any interest in the resolution as set out at item No. 7 shall be entitled to vote on this special resolution.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Information in respect of directors seeking appointment/re-appointment

Name of the Directors	Ambica Siva Kumar Alapati	Ambica Ramachandra Rao	Venkatesan Sreedharan	P Kishore Thandava
Date of first appointment	11/06/2018	30/11/2001	14/02/2011	04/06/2008
Date of birth/age	13/06/1985	04/02/1971	15/11/1937	03/12/1980
Expertise in specific functional areas	More than 1 decades of experience in Manufacturing of Agarbathies	More than 2 decades of experience in Purchase & Marketing	More than 5 decades of experience in Finance & related matters	More than 2 decades of experience in Marketing
Educational qualification	Graduate	Under Graduate	Chartered accountant	Graduate
Chairman/member of the committees of board of Directors of the company	Nil	Nil	Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee	Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee
List of Directorships (excluding private limited), Committee Chairmanship, Membership held in other companies as on date	Nil	Nil	Nil	Nil



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the 24th Annual Report of Company together with the Audited Accounts for the financial year ended 31st March, 2019

1. FINANCIAL RESULT

(Amounts in Rupees)

PARTICULARS	31.03.2019	31.03.2018
Revenue from operations	1,382,064,683	125,35,75,154
Other Income	28,215,910	1,59,01,187
Total Income	1,410,280,594	1,269,476,341
Expensess	1,374,644,975	1,443,039,919
Net profit before tax	35,635,618	-173,563,578
Tax	-66,833,978	4,655,011
Profit after tax	102,469,596	-178,218,589

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. 138,20,64,683 as compare to Rs 125,35,75,154 Previous year and the Net Profit Rs. 102,469,597 as compare to loss of Rs. -178,218,589 in previous year.

3. TRANSFER TO RESERVES

The Board of Directors of the Company have not recommended for transfer of any amount to the General Reserve for the Financial Year ended March 31, 2019

4. DIVIDEND:

Your Directors do not recommend any Dividend for the Financial Year 2018-2019 as the profits are planned to be ploughed back into the business operations.

5. SUBSIDIARIES:

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

6. 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. MEETINGS

During the year under review, Six board meetings were held on, 18/04/2018, 11/05/2018, 11/06/2018, 13/08/2018, 14/11/2018; 11/02/2019 the maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.



8. 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 08th, March 2019 to evaluate the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

9. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ambica Siva Kumar Alapati (DIN- 00392295), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Sri Ambica Ramachandra Rao was appointed as a Whole Time Director of the Company in the meeting of the Board of Directors held on 11th February 2019 for a period of 3 years subject to the approval of the members in the General meeting, the proposed resolution for his appointment is placed before the Members in the ensuing Annual General Meeting.

Sri Venkatesan Sreedharan is proposed to be re-appointed as an Independent Director for second term of five consecutive years from conclusion of 24th AGM till the conclusion of 29th AGM. The proposed resolution for his appointment is placed before the Members in the ensuing Annual General Meeting.

P Kishore Thandava is proposed to be re-appointed as an Independent Director for second term of five consecutive years from conclusion of 24th AGM till the conclusion of 29th AGM. The proposed resolution for his appointment is placed before the Members in the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed Both under sub-section (6) of Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

10. 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, 2019, 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, 2019.
- (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, 2019, 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

11. STATUTORY AUDITORS

In terms of section 139(1) of the Companies Act, 2013 M/s. Ramasamy Koteswara Rao & Co, LLP (FRN: 010396S), Chartered Accountants, Hyderabad were appointed as the Statutory Auditors of the Company to hold office for the period of 5 years from the conclusion of 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting.

12. INTERNAL AUDITORS:

The Board of Directors based on the recommendation of the Audit Committee has reappointed T.V.V. Satyanarayana 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.

13. 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>.



14. 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.

15. 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.

16. MANAGEMENT DISCUSSION AND ANALYSIS:

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

17. 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

18. 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, 2019 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.

19. 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.

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure V**” to this report.



21. 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 VI**”.

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 1,02,50,000 per annum, or employees who are employed for part of the year and in receipt of Rs 8,50,000 per month.

22. 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. The Company has given advance against salary to some employees in terms of the applicable policies of the Company.

23. 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

24. 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.

25. 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)

	2018-19	2017-18
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil



26. 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

27. 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
CEO & PRESIDENT**

**Sd/-
SATYAVATHI PERLA
WHOLETIME DIRECTOR
DIN: 07141289**

**Sd/-
AMBICA RAMACHANDRA RAO
WHOLETIME DIRECTOR
DIN: 01678538**

Place: Eluru
Date: 22.08.2019



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 also involves in the film production and distribution activities; engages in wind power generation, the company was founded in 1946 and is based in Eluru, India.

2.OPPORTUNITIES AND THREATS:

AS PER SEGMENT

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 Karnataka state leads in this industry. The main centers of manufacture are Mysore and Bangalore. As on today about 150 units exist in Andhra Pradesh. Owing to the low level of technology involved in this industry, this can be taken to rural areas without much difficulty, thus implementing the rural industrialization policy of the government of India to a greater extent.

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 India is expected to grow by 8.2% between 2010 and 2019 according to the tourism satellite accounting (TSA) research. 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. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019 the report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020

Construction Division

The Indian economy has witnessed considerable progress in the past few decades. Most of the infrastructure development sectors moved forward, but not to the required extent of increasing growth rate up to the tune of 8 to 10 per cent. The Union Government has underlined the requirements of the construction industry. With the present emphasis on creating physical infrastructure, massive investment is planned in this sector. The Planning Commission has estimated that investment requirement in infrastructure to the tune of about ₹ 14,500 billion or US\$320 billion during the 11th Five Year Plan period. This is a requirement of an immense magnitude. Budgetary sources cannot raise this much resources. Public Private Partnerships (PPP) approach is best suited for finding the resources. Better construction management is required for optimizing resources and maximizing productivity and efficiency.



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**
3. **CONSTRUCTION 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.

Sample Availability	: Yes
Supplier Product Code	: AMB-01

Fruit (Natural Bathies)

We offer Fruit (Natural 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 Fruit (Natural Bathies) are comprised of natural base materials keeping in mind the national and international quality standards.

Sample Availability	: Yes
Supplier Product Code	: AMB-02

Sun Moon (Incense Sticks) :

We offer Sun Moon (Incense Sticks) 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 Sun Moon (Incense Sticks) is comprised of natural base materials keeping in mind the national and international quality standards.

Sample Availability	: Yes
Supplier Product Code	: AMB-04

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.

Sample Availability	: Yes
Supplier Product Code	: AMB-05



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.

Sample Availability	: Yes
Supplier Product Code	: AMB-06

2. HOTEL DIVISION:

The performance of the Hotel division of the Company is satisfactory in this fiscal as compared to the last fiscal, the economy of the country is witnessing uptrend and more tourist and visitors are expected in this fiscal wherein we are expecting good business in coming years

3. CONSTRUCTION DIVISION

As the economy of the Country is witnessing uptrend lots of new projects are sanctioned and expected more new projects in coming time, where as we in the process of bidding for new projects and focusing on the ongoing projects in the hand.

4. INDUSTRY OUTLOOK 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

The hotel industry in India is going through an interesting phase. One of the major reasons for the increase in demand for hotel rooms in the country is the boom in the overall economy and high growth in sectors like information technology, telecom, retail and real estate. Rising stock market and new business opportunities are also attracting hordes of foreign investors and international corporate travelers to look for business opportunities in the country the hospitality industry of India is expected to grow at a rate of 8.8% from 2007-19, placing India the second-fastest growing tourism market in the world. Progress like massive investment in hotel infrastructure and open sky policies which are made by the government are all aimed at propelling growth in the hospitality sector.

CONSTRUCTION DIVISION

The development in Indian construction industry feature is almost equal to the construction industry development in other countries. It is founded by the government and gradually it was taken over by the enterprises. After self-government requirement for industrial and infrastructural developments in India, they established the stone of construction, architectural and engineering services.

5. 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



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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

6. 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.

7. 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 4972.420 Lakhs as Compare to Rs 12180.780 Lakhs, the Turnover of hotel division was Rs 380.480 Lakhs as compared to Rs 1862.660 Lakhs and the Turnover of Windmill was 26.23Lakhs as compared to 59.37 Lakhs..

8. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The Company recognises that people play a critical role in achieving its goals. As on 31st March, 2019, 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
CEO & PRESIDENT**

**Sd/-
SATYAVATHI PERLA
WHOLETIME DIRECTOR
DIN: 07141289**

**Sd/-
AMBICA RAMACHANDRA RAO
WHOLETIME DIRECTOR
DIN: 01678538**

Place: Eluru
Date: 22.08.2019



ANNEXURE - II

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.

Ambica Krishna is CEO and President of the Company

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	Attend- ance At AGM held on 26.09.2018	Attendance in Board Meeting		Other Boards except Pvt Limited		
				Held	Attended	Director- ship	Committee chairman- ship	Committee member- ship
1	Ambica Krishna	CEO & president	Yes	6	2	Nil	Nil	Nil
2	Smt Satyavathi Perla	Chairman (Executive Director)	Yes	6	6	Nil	Nil	Nil
3	Ambica Ramchandra Rao	Executive Director	No	6	3	Nil	Nil	Nil
4	Ambica Siva Kumar Alapati	Executive Director	Yes	6	4	Nil	Nil	Nil
5	P V Sreedharan	Non-Executive & Independent Director	Yes	6	6	Nil	Nil	Nil
6	P Kishor Thandava	Non-Executive & Independent Director	Yes	6	6	Nil	Nil	Nil
7	Narayanam Kameswara Rao	Non-Executive & Independent Director	Yes	6	6	Nil	Nil	Nil



- Ambica Ramchandra Rao Resigned on 11.06.2018 and Appointed on 11.02.2019
- Ambica Siva Kumar Alapati appointed on 11.06.2018
- Designation of Ambica Krishna has been changed from Chairman & Managing Director to CEO and President on 11.06.2018. so that he has attended 2 meetings as Managing Director and Annual General Meeting as CEO and President

b) Board meeting and attendance:

During the financial year 2017-2018, 6 (Six) Board Meetings were held on the following dates: 18.04.2018, 11.05.2018, 11.06.2018, 13.08.2018, 14.11.2018 and 11.02.2019. The maximum time-gap between any two consecutive meetings did not exceed four months.

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 three Executive Directors are belongs to one family and Independent Directors are not anyway related to each other.

e) Number of shares held by directors

Name of the Director	Designaon	No. of Shares held
Ambica Ramachandra Rao	Whole Time Director	14,64,950
Ambica Siva Kumar Alapati	Whole Time Director	2,18,325
Satyavathi Perla	Women Director (WTD)	1,39,989
Sreedharan Venkatesan	Independent Director	0
P Kishore Thandava	Independent Director	8,000
Narayanam Kameswara Rao	Independent Director	0

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

- g) 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 be and is 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.

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.
 - 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.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- 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.

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	P. Kishore Thandava	Member
3	Narayanam Kameswara Rao	Member

Audit Committee meetings were held on 18.04.2018, 11.05.2018, 11.06.2018, 13.08.2018, 14.11.2018 and 11.02.2019 attendance of each Member of Committee is as follows.

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	6	6
2	P Kishore Thandava	Member	6	6
3	Narayanam Kameswara Rao	Member	6	6

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

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.
- 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

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 measureable 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 longterm 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.	P. Kishore Thandava	Member
3.	Narayanam Kameswara Rao	Member



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Remuneration Committee meetings were held on 11.06.2018 and 11.02.2019 attendance of each Member of Committee is 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	2	2
2	P Kishore Thandava	Member	2	2
3	Ambica Ramachandra Rao	Member	2	2

Remuneration paid to Directors during the Financial Year

Director	Designation	Remuneration for Financial Year 2018-19 (in Rs.)	
		Salary & Perks	Total
Smt. Satyavathi Perla	Executive Director	10,00,000	1000,000
Sri Ambica Siva Kumar Alapati	Executive Director	1200,000	12,00,000
Sri Ambica Ramchandra Rao	Executive Director	4,00,000	4,00,000
Veeravenkata Pothu Krishna Rao Perla	CEO	24,00,000	24,00,000

a) All pecuniary relationship or transactions of the Non-Executive Directors

Non-Executive Directors including Independent Directors are entitled to payment of sitting fee for the Board and Committee meetings attended by them as per the provisions of the Companies Act, 2013.

(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 the 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 2018-19:

No salary, commission and other benefits paid to Executive and Non Executive directors for the FY 2018-19:

(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 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.



STAKEHOLDER RELATIONSHIP COMMITTEE:

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;

- (i) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- (ii) Issue of duplicate / split / consolidated share certificates;
- (iii) Allotment and listing of shares;
- (iv) Review of cases for refusal of transfer / transmission of shares and debentures;
- (v) Reference to statutory and regulatory authorities regarding investor grievances;
- (vi) 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.	P. Kishore Thandava	Member
3.	Narayanam Kameswara Rao	Member

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 2018- 19		
	Received	Resolved	Pending
Total Complaints	1	1	Nil



MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on **08, March. 2019**, 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 time lines 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, AMBICAAGARBATHIESAROMA & 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.



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
2017-18	Wednesday 26th September, 2018 at 11.00 AM	Shankar Towers, Powerpet, ELURU	1. To Approve The Appointment And Remuneration Of Sri Ambica Siva Kumar Alapati As Whole Time Director Of The Company 2. To approve the appointment and remuneration of smt. Satyavathi perla as whole time director of the company 3. Increase In The Borrowing Powers Of The Company
2016-17	Wednesday 27th June, 2018 at 11.00 AM	Shankar Towers, Powerpet, ELURU	-----
2015-16	Friday 23rd September, 2016 at 11.00 AM	Shankar Towers, Powerpet, ELURU	-----

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.

The company has belatedly complied some of the provision of SEBI (Listing Obligations & Disclosure requirements) 2015.

The Company has posted the Code of Conduct for Directors and Senior Management on its website.

The Company has complied with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) 2015.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - Not Applicable.

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.



Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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 thereunder. 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

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.

The Company does not have any material Non-Listed Indian Subsidiary as defined under Regulation 16 of SEBI Listing Regulations. It is, therefore, not required to have an Independent Director of the Company on the Board of such Subsidiary.

Disclosure of commodity price risks and commodity hedging activities- NIL

Non-compliance of any requirement of corporate governance report, with reasons thereof: All the corporate governance requirements are complied with

MEANS OF COMMUNICATION:

Quarterly Results and Annual Results of the Company are normally published in English daily and Regional daily. As per Regulation 47 of SEBI (Listing Obligations & Disclosure requirements) 2015, Management Discussion and Analysis report is a part of the Annual Report.

No presentations were made to the Institutional Investors or to Analysts.



GENERAL SHAREHOLDER INFORMATION:

Date time and Venue	Monday 30th September, 2019 at 11.00 AM Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District, Andhra Pradesh
Financial year	1st April, 2018 to 31st March, 2019
Book Closure	Tuesday 24th September, 2019 to Monday 30th September, 2019 (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.
Stock Code: BSE Limited National Stock Exchange Limited	Code/Symbol 532335 / AMBICAGR AMBICAAGAR

• **Market Price Data: During the last Financial Year 2018-2019**

The script of the company in NSE & BSE was suspended for belated compliance under clause 41 of listing agreement / LODR Regulations

Company has received in principle approval for revocation of suspension from stock exchange through letter dated 27th June, 2019.

Now Company is in process of revocation of suspension.

SHARE TRANSFER SYSTEM:

The Board of Director has delegated the power of share transfer to Registrar and Share Transfer Agents for processing of Share transfers to M/s Venture Capital and Corporate Investments Private Limited.

Registrar and Transfer Agents:

M/s. Venture Capital and Corporate Investments Private Limited.

12-10-167, Bharat Nagar
Hyderabad-500018



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

SHAREHOLDING PATTERN AS ON 31ST MARCH 2019:

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	8247969	48.02
	Sub Total of A1	8247969	48.02
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	28247969	48.02
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)	1100	0.00
	Sub Total B1	1100	0.00
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	2176267 3318106 3278767 29581 125610	12.67 19.32 19.09 0.17 0.73
	Sub Total B2	8928331	51.98
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	8929431	51.98
C	Shares held by Custodian and against which Depository Receipts have been issued		
	TOTAL A+B+C	17177400	100.00



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

DISTRIBUTION OF SHAREHOLDING: 31st March, 2019

Sl. No	Category From Rs - To Rs	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1	Upto - 5000	3645	73.27	7349640	4.28
2	5001 - 10000	655	13.17	5740450	3.34
3	10001 - 20000	299	6.01	4817870	2.8
4	20001 - 30000	104	2.09	2723620	1.59
5	30001 - 40000	44	0.88	1588230	0.92
6	40001 - 50000	45	0.90	142490	1.25
7	50001 - 100000	87	1.75	6470950	3.77
8	100001 and above	96	1.93	1409407508	2.05
	Total	4975	100	171774000	100

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 publishing the same in the Newspapers.

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.

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.

83% of total equity share capital of the Company is held in dematerialization form with NSDL and CDSL as on 31st March, 2019.

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**

- Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity : Nil



Plant Location:

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

Address for correspondence:

Sri Ambica Krishna
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
12-10-167, Bharat Nagar
Hyderabad-500018

Share Transfer System: The Share transfers are effected within 30 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.

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 24th Annual Report

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 2018-19.

Secretarial Audit:

- a) M/s P S Rao & Associates, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2018-19. 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.
- b) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half yearly basis, by M/s P S Rao & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- c) 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).



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- d) 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	NA
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

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

Sd/-
AMBICA KRISHNA
CEO & PRESIDENT

Sd/-
SATYAVATHI PERLA
WHOLETIME DIRECTOR
DIN: 07141289

Sd/-
AMBICA RAMACHANDRA RAO
WHOLETIME DIRECTOR
DIN: 01678538

Place: Eluru
Date: 22.08.2019



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

I, A. Hanuma, Chief Financial officer of Ambica Agarbathies Aroma & Industries Ltd, to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2019.
2. 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.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of 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.
5.
 - 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/-
ALAPATI HANUMA
CHIEF FINANCIAL OFFICER

Place: Eluru
Date: 22.08.2019



CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Ambica Agarbathies Aroma & Industries Limited ('the Company') for the year ended 31st March, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations.

We further state that such compliance 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/-
Jineshwar Kumar Sankhala
Company Secretary
M No : 21697
C P No: 18365

Place: Hyderabad
Date: 22.08.2019



**CERTIFICATE
(Pursuant to clause 10 of Part C of Schedule V of LODR)**

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of Ambica Agarbathies Aroma & Industries Limited, having CIN: L24248AP1995PLC020077), we hereby certify that:

On the basis of the written representation/declaration received from the Directors and taken on record by the Board of Directors, as on 31st March, 2019, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Ensuring the 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 the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates
Company Secretaries

Sd/-
Jineshwar Kumar Sankhala
Company Secretary
M No : 21697
C P No: 18365

Place: Hyderabad
Date: 22.08.2019



ANNEXURE – III

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2019

[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, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under, as applicable
- (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, Overseas Direct Investment and External Commercial Borrowings;
- (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, 2015/2018;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable during the audit period)
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during the audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/2018; (not applicable 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, 2009; (not applicable during the audit period) and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/2018; (not applicable during the audit period) and



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- i) The SEBI (Listing Obligations & Disclosure Requirements) 2015, entered into by the Company with Stock Exchange; As Applicable.

Other specifically applicable laws to the Company:

- Food Safety and Standards Act, -

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.
- The Shares of the Company are suspended for trading on Stock Exchange.
- The company has belatedly complied some of the provision of the Regulation under SEBI (LODR), Regulations, 2015

For P S Rao & Associates
Company Secretaries

Sd/-
Jineshwar Kumar Sankhala
Company Secretary
M No : 21697
C P No: 18365

Place: Hyderabad
Date: 22.08.2019



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 31st march-2019
1.	Ambica Krishna	Chief Executive Officer & President	Remuneration	24,00,000
2.	Ambica Ramachandra Rao	Executive Director	Remuneration	4,00,000
3.	A B N V R A Hanuma	CFO	Remuneration	12,00,000
4.	A Siva Kumar	Executive Director	Remuneration	14,00,000
5.	P Satyavathi	Executive Director-Chairperson	Remuneration	10,00,000
6.	ACP Industries Ltd	Entity in which Director/Promoters is related	Sales	15,921,630
			Purchase	420,249,288
7.	Elite Agro Trading	Entity in which Director/Promoters is related	Sales	315,194,486
			Purchase	0
8.	Om Trading	Entity in which Director/Promoters is related	Sales	22,344,763
			Purchase	251,083,701

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

Sd/-
AMBICA KRISHNA
CEO & PRESIDENT

Sd/-
SATYAVATHI PERLA
WHOLETIME DIRECTOR
DIN: 07141289

Sd/-
AMBICA RAMACHANDRA RAO
WHOLETIME DIRECTOR
DIN: 01678538

Place: Eluru
Date: 22.08.2019



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

ANNEXURE – V

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24248AP1995PLC020077
2.	Registration Date	21/04/1995
3.	Name of the Company	AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Company Limited By Shares/Indian Non-government Company
5.	Address of the Registered office & contact details	Shankar Towers, Power pet, Eluru, West Godavari Dist, Andhra Pradesh, India.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad - 500018

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	AMBICA AGARBATHIES	242488	86.37%
2	HOTEL	5510	13.21%
3	CONSTRUCTION	4510	0.42%

*Since the Construction Company has new projects which are at the Finishing Stage and The overall performance and turnover should be addressed in the forth coming Years.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :Nil

S. No.	Name and Address of The company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8247939	30	8247969	48.02	8247939	30	8247969	48.02	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter (A)	8247939	30	8247969	48.02	8247939	30	8247969	48.02	0.00
B. Public Shareholding									
1. Institutions									
l) FII	1100	0	1100	0.01	1100	0	1100	0.01	0.00
Sub-total (B)(1):-	1100	0	1100	0.01	1100	0	1100	0.01	0.01
2. Non-Institutions									
a) Bodies Corp.	280541	1900000	2180541	12.69	276267	1900000	2176267	12.67	(0.02)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs	3110864	201318	3312182	19.28	3133287	184819	3318106	19.32	0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	2378767	900000	3278767	19.09	2378767	900000	3278767	19.09	0
c) Others (specify) Non Resident Indians	29381	0	29381	0.17	29581	0	29581	0.17	0
Clearing Members	127460	0	127460	0.74	125610	0	125610	0.73	(0.01)
Sub-total (B)(2):-	5927013	3001348	8928331	51.98	5943512	2984819	8928331	51.98	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5928113	3001348	8929431	51.98	5944612	2984813	8929431	51.98	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	14176052	3001348	17177400	100	14192551	2984849	17177400	100	0.00



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

B) SHAREHOLDING OF PROMOTER:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In Share Holding During The year
		No. of Shares	% of Total Shares Of the Company	% of Shares Pledged / encumbered To total shares	No. of Shares	% of Total Shares Of the Company	% of Shares Pledged / encumbered To total shares	
1.	A G N V S A Ramchandra Rao	14,64,950	8.53	0	14,64,950	8.53	0.00	0.00
2.	P V V P Krishna Rao	13,91,701	8.10	0.00	13,91,70	18.10	0.00	0.00
3.	Alapati Ramanjaneyulu	12,38,700	7.21	0.00	12,38,700	7.21	0.00	0.00
4.	Rajeshwar Rao Alapati	12,11,213	7.05	0.00	12,11,213	7.05	0.00	0.00
5.	A Madhavi Perla	5,11,450	2.98	0.00	5,11,450	2.98	0.00	0.00
6.	A Santoshi	4,40,200	2.56	0.00	4,40,200	2.56	0.00	0.00
7.	A V Prasad	4,15,213	2.42	0.00	4,15,213	2.42	0.00	0.00
8.	P T N V A R Sudarsan	3,55,403	2.07	0.00	3,55,403	2.07	0.00	0.00
9.	Alapati Ambica Sivakumar	2,18,325	1.27	0.00	2,18,325	1.27	0.00	0.00
10.	Alapati Ambica Hanuma	2,18,325	1.27	0.00	2,18,325	1.27	0.00	0.00
11.	Satyavati Perla	1,39,989	0.81	0.00	1,39,989	0.81	0.00	0.00
12.	Alapati Lalitha Kumari	1,39,950	0.81	0.00	1,39,950	0.81	0.00	0.00
13.	Alapati Rama Lakshmi	1,39,950	0.81	0.00	1,39,950	0.81	0.00	0.00
14.	Satyamala Alapati	1,39,700	0.81	0.00	1,39,700	0.81	0.00	0.00
15.	A Janaki	1,11,450	0.65	0.00	1,11,450	0.65	0.00	0.00
16.	A P J Suneetha	1,11,450	0.65	0.00	1,11,450	0.65	0.00	0.00
	Total	82,47,969	48.02	0.00	82,47,969	48.02	0.00	0.00



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	At the beginning of the year	82,47,969	48.02	82,47,969	48.02
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	NO CHANGE MADE DURING THE YEAR			
3.	At the end of the year	82,47,969	48.02	82,47,969	48.02

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ decrease In share holding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning (01-04-18)/ end of the year (31-03-19)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1	Trinethra infra entures limited	1900000	11.06	01/4/2018	0	Nil Movement During the year		
		1900000	11.06	31/3/2019	0		1900000	11.06
2	Puvvada bhaskar Rao	900000	5.2	401/4/2018	0	Nil Movement During the year		
		900000	5.24	31/3/2019	0		900000	5.24
3	Palla anuradha	172188	1.00	01/4/2018	0	Nil Movement During the year		
		172188	1.00	31/3/2019	0		172188	1.00
4	Neha Investment private limited	165537	1.00	01/4/2018	0	Nil Movement During the year		
		165537	1.00	31/3/2019	0		165537	1.00
5	Venkata Sailesh Kumar Lingamallu	144890	0.84	01/4/2018	0	Nil Movement During the year		
		144890	0.84	31/3/2019	0		144890	0.84



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

6	Manishabens. Bhanderi*	128732	0.75	01/4/2018	0	Nil Movement During the year		
		128732	0.75	31/3/2019	0		128732	0.75
7.	Dheeraj Kumar Lohia	121443	0.71	01/4/2018	0	Nil Movement During the year		
		121443	0.71	31/3/2019	0		121443	0.71
8.	ANS Pvt Limited	113013	0.66	01/4/2018	0	Nil Movement During the year		
		113013	0.66	31/3/2019	0		113013	0.66
9.	Divakar Atluri	111659	0.65	01/4/2018	0	Nil Movement During the year		
		111659	0.65	31/3/2019	0		111659	0.65
10.	Grandhi Sri Venkata Amarendra	102960	0.60	01/4/2018	0	Nil Movement During the year		
		102960	0.60	31/3/2019	0		102960	0.60

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares Of the Company
1	AMBICA KRISHNA	1391701	8.10	1391701	8.10
2	AMBICA RAMACHANDRA RAO	1464950	8.53	1464950	8.53
3	P V SREEDHARAN	-	-	-	-
4	P KISHORE THANDAVA	10600	0.06	10600	0.06
5	SATYAVATHI PERLA	139989	0.81	139989	0.81
6	NARAYANAM KAMESWARA RAO	-	-	-	-
7	ALAPATI AMBICA SIVAKUMAR	218325	1.27	218325	1.27
8	ALAPATI AMBICA HANUMA	218325	1.27	218325	1.27
9	UMA GAYATHRI	-	-	-	-



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

V) INDEBTEDNESS –Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year				
I) Principal Amount	702246331	62967607	0	765213938
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	702246331	62967607	0	765213938
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	46980660	49498415	0	96479075
Net Change	46980660	49498415	0	96479075
Indebtedness at the end of the financial year				
I) Principal Amount	655265671	13469192	0	668734863
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	655265671	13469192	0	668734863



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WTD			Total Amount
		Satyavathi Perla	Ambica Siva Kumar Alapati	Ambica Rama Chandra Rao	
1	Gross salary	10,00,000	12,00,000	4,00,000	26,00,000
	(a) Salary as per provisions Contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites U/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total (A)	10,00,000	12,00,000	4,00,000	26,00,000

- Ambica Ramachandra Rao Resigned on 11th June,2018 and appointed on 11th Feb 2019.
- Satyavathi Perla appointed as Whole Time Director on 11th June ,2018

B. Remuneration to other directors -Nil

Sl.No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board Committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board Committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B) = (1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

NIL



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	24,00,000	1,80,000	12,00,000	NA
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites U/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- As % of profit				
	Others specify...				
5	Others, please specify				
	Total	24,00,000	1,80,000	12,00,000	37,80,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section Of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding Fees imposed	Authority [RD / NCLT / COURT]	Appeal Made, if any (Give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



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 2018-19 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19:**

Name of the Director/ Key Managerial Personnel	Remuneration of Director KMP for the financial year 2018-19	% increase in Remuneration in the financial year 2018-19	Ratio of the remuneration to the median remuneration of the employees
Ambica Krishna	24,00,000	No Change	17.52%
Ambica Ramachandra Rao	4,00,000	Decrease	8.76%
Saraswathi Perla	10,00,000	-	2.96%
Ambica Siva Kumar alapati	12,00,000	-	7.41%
Ambica Hanuma	12,00,000	No Change	8.76%
Umagayathri	1,80,000	No Change	1.31%

Note: The median remuneration of employees of the Company during the financial year was Rs.135000

- B. The percentage increase in the median remuneration of employees in the financial year: NIL**
- C. The number of permanent employees on the rolls of company: 220**
- 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 2018-19 is based on the individual performance and Company's performance during the previous financial year 2017-18. 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:**
There is no increase in salaries of employees during the year. The Percentage increase in the managerial remuneration for the same financial year was 28.11%
- 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
CEO & PRESIDENT**

**Sd/-
SATYAVATHI PERLA
WHOLETIME DIRECTOR
DIN: 07141289**

**Sd/-
AMBICA RAMACHANDRA RAO
WHOLETIME DIRECTOR
DIN: 01678538**

Place: Eluru
Date: 22.08.2019



INDEPENDENT AUDITOR'S REPORT

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

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 March 31, 2019, and 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 a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements for the financial year ended 31st March, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.



Key Audit Matter	How the Matter was addressed in Audit
<p>1. Revenue Recognition</p> <p>As described in Note 1.3 to the Ind AS financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard.</p> <p>The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized.</p> <p>This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new accounting standard, include –</p> <ul style="list-style-type: none"> • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new accounting standard; • Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams; • Evaluated the cumulative effect adjustments as at 1st April 2018 for compliance with the new accounting standard; and • Evaluated the appropriateness of the disclosures provided under the new accounting standard and assessed the completeness and mathematical accuracy of the relevant disclosures

Information Other than the Financial Statements and Auditor's Report Thereon

- 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.

Management's Responsibility 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 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 Ind AS and other accounting principles generally accepted in India. 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 statement 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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.



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.
 - c) The Balance Sheet, the Statement of Profit and Loss including 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.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 to which would have an impact on its financial position.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- ii. The Company did not have any long-term contracts including derivative 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.
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/

(C V Koteswara Rao)

Partner

Membership No.028353

Place: Hyderabad

Date: 30-05-2019



Annexure-A to the Auditors' Report (referred to in paragraph 1 of our Report of even date to the Members of "Ambica Agarbathies Aroma & Industries Limited" for the year ended March 31, 2019)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that;

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
- (b) All fixed assets have been physically verified by the management during the year in accordance with a phased program of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us by the Company the title deeds of immovable properties are held in the name of the company.
- ii. The Company has conducted physical verification of the inventory at regular intervals and no material discrepancies were noticed during such verification.
- iii. According to the information and explanations given to us, the Company has granted unsecured loan to company covered in the register maintained under section 189 of the Act, in respect of which:
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c) There is no overdue amount remaining outstanding as at the balance sheet date.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans and investments.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company prescribed by the Central Government for the maintenance of cost records under section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not conducted a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally irregular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable are as follows:

S. No.	Particulars	Nature of Due	Relevant Assessment Years	Amount in Rs.
1.	The Income Tax Act, 1961	Income Tax	2003-04 to 2012-13	80,79,609



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

- (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, value added tax and goods and services tax except income tax outstanding on account of any dispute.

Name of the Statute	Nature of dues	Demand	Assessment Year	Forum Where Dispute is Pending
Income Tax act, 1961	Assessment made u/s. 143(3)	64,90,950	2013-14	CIT(A), Chennai, Tamil Nadu.
Income Tax act, 1961	Assessment made u/s. 154	31,44,550	2015-16	CIT(A), Chennai, Tamil Nadu.

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks. There are no outstanding over dues which are payable to banks and financial institutions.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Companies Act are complied.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xiv. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

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

**Sd/
(C V Koteswara Rao)
Partner
Membership No.028353**

Place: Hyderabad
Date: 30-05-2019



Annexure B To The Independent Auditor's Report Of Even Date On The Financial Statements Of Ambica Agarbathies Aroma & Industries Limited

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 over financial reporting of **Ambica Agarbathies Aroma & Industries Limited** ("the Company") as of March 31, 2019 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 Company's Management 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. 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 the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India.

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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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 over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Firm Registration Number: 010396S/S200084

Place: Hyderabad

Date: 30-05-2019

**Sd/
(C V Koteswara Rao)
Partner
Membership No.028353**



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Balance Sheet as at 31st March, 2019

(Amount in ₹)

Particulars	Notes	As on 31st March, 2019	As at 31st March 2018
Assets			
Non Current Assets			
Property, Plant and Equipment	2	1,293,121,623	1,318,131,079
Capital Work in progress		-	-
Investments Poperty		-	-
Intengible Assets	2	172,685	193,989
Financial Assets		-	-
Investments	3	61,209,308	56,806,782
Other financial Assets	4	127,662,937	162,809,589
Other non-current assets	5	80,867,933	87,602,316
		1,563,034,487	1,625,543,755
Current Assets			
Inventories	6	32,970,950	19,429,110
Financial Assets		-	-
Investments		-	-
Trade Receivable	7	142,387,798	124,408,679
Cash and cash equivalents	8	27,890,574	69,944,621
Other financial assets	9	168,005,480	164,725,179
Other current assets	10	7,415,446	12,885,750
		378,670,249	391,393,340
Total		1,941,704,736	2,016,937,095
Equity and Liabilities			
Equity			
Equity share capital	11	171,774,000	171,774,000
Other equity		757,434,954	680,351,494
		929,208,954	852,125,494
Liabilities			
Non-current Liabilities		-	-
Financial Liabilities			
Borrowings	12	660,265,671	681,149,292
Other financial Liabilities	13	-	5,357,000
Deferred tax Liabilities (net)		258,200,889	325,034,867
		918,466,560	1,011,541,159
Current Liabilities			
Financial Liabilities			
Borrowings	12	8,469,192	84,064,646
Trade Payable	14	34,105,337	38,376,860
Other financial Liabilities	15	2,377,766	3,421,300
Provisions		-	415,872
Other current Liabilities	16	49,076,928	26,991,763
		94,029,223	153,270,440
Total		1,941,704,737	2,016,937,094

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements 1-23

As per our report of even date.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants
Firm Regn No.010396S/S200084

Sd/-

C V Koteswara Rao
Partner

Membership No-028353

Place: Hyderabad

Date: 30-05-2019

For and on behalf of the board

Sd/-

Ambica Krishna
Chief Executive Officer and President

Sd/-

Satyavathi Perla
Executive Director

Sd/-

Uma Gayathri
Company Secretary

Sd/-

Ambica Siva Kumar Alapati
Director

Sd/-

Ambica Hanuma
Chief Financial Officer



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2019

(Amount in ₹)

Particulars	Notes	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I. Revenue from operations	17	1,382,064,683	1,253,575,154
II. Other income	18	28,215,910	15,901,187
III. Total Revenue (I+II)		1,410,280,594	1,269,476,341
IV. Expenses:			
(a) Cost of materials consumed	19	158,833,859	375,228,349
(b) Purchases of stock-in-trade		871,689,240	733,121,757
(c) Changes in inventories of finished goods, work-in-progress	20	-2,221,037	725,439
(d) Employee benefits expense	21	51,312,368	43,875,755
(e) Finance costs	22	69,934,063	84,775,657
(f) Depreciation and amortisation expense	2	38,481,006	50,289,916
(g) Other expenses	23	186,615,477	155,023,047
Total Expenses		1,374,644,975	1,443,039,920
V. Profit Before Tax (III-IV)		35,635,618	-173,563,579
VI. Tax expense:			
(i) Current tax		-	-
(ii) Prior period Income Tax		-	-
(iii) Mat credit entitlement		-	-
(iv) Deferred tax		-66,833,978	4,655,011
		-66,833,978	4,655,011
VII. Profit (Loss) For The Period (V-VI)		102,469,596	-178,218,590
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		-	-
IX Total Other Comprehensive Income		102,469,596	-178,218,590
X Earnings per equity share : Basic and diluted		5.97	-10.38
Notes Forming Part of the Financial Statements			

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements 1-23

As per our report of even date.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants
Firm Regn No.010396S/S200084

For and on behalf of the board

Sd/-
Ambica Krishna
Chief Executive Officer and President

Sd/-
Ambica Siva Kumar Alapati
Director

Sd/-
C V Koteswara Rao
Partner
Membership No-028353

Sd/-
Satyavathi Perla
Executive Director

Sd/-
Ambica Hanuma
Chief Financial Officer

Place: Hyderabad
Date: 30-05-2019

Sd/-
Uma Gayathri
Company Secretary



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018
A. Cash Flows From Operating Activities:		
Net profit before taxation	35,635,618	(173,563,578)
Adjusted for :		
Interest Paid	69,934,063	84,775,657
Discounting Interest on Pref. Shares	6,734,382	-
Interest Income	(6,112,108)	(1,003,746)
Bad Debts Written off	4,665,438	-
Loss on Sale of Assets	1,163,344	-
Depreciation	38,481,006	50,289,916
Operating profits before working capital changes	150,501,743	(39,501,751)
Changes in current assets and liabilities		
Inventories	(13,541,840)	172,349,181
Trade Receivables	(17,979,119)	(39,599,721)
Other Current assets	2,190,002	(74,941,825)
Trade Payables	(4,271,523)	(36,930,065)
Other Financial Liabilities and other current liabilities	17,521,609	(22,952,985)
Cash generated from operations	134,420,873	(41,577,166)
Income tax paid	-	-
Cash used(-)/(+)generated from operating activities (a)	134,420,873	(41,577,166)
B. Cash Flows From Investing Activities:		
Purchase of fixed assets and change in capital wip	(18,155,797)	(2,925,911)
Proceeds from disposal of Fixed Assets	1,981,906	-
Interest Income	6,112,108	1,003,746
Cash used(-)/(+)generated in investing activities (b)	(10,061,783)	(1,922,165)
C. Cash Flows From Financing Activities:		
Changes in Share Capital	-	(479,377)
Changes in Investments	-	-
Changes in Borrowings	(96,479,075)	188,071,393
Changes in Other Non Current Assets	-	-
Interest paid	(69,934,063)	(84,775,657)
Cash used(-)/(+)generated in financing activities (c)	(166,413,137)	102,816,359
Net increase(+)/decrease (-) in cash and cash equivalents (a+b+c)	(42,054,047)	59,317,027
Cash and cash equivalents at the beginning of the year	69,944,621	10,627,594
Cash and cash equivalents at the end of the year	27,890,574	69,944,621
Reconciliation of cash and cash equivalents		
Balances with banks	26,661,244	67,793,715
Cash-in-hand	1,229,330	2,150,906
Cash and Cash Equivalent as per Cash Flow Statement	27,890,574	69,944,621

As per our report of even date.

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

Sd/-
C V Koteswara Rao
Partner
Membership No-028353

Place: Hyderabad
Date: 30-05-2019

For and on behalf of the board

Sd/-
Ambica Krishna
Chief Executive Officer and President

Sd/-
Ambica Siva Kumar Alapati
Director

Sd/-
Satyavathi Perla
Executive Director

Sd/-
Ambica Hanuma
Chief Financial Officer

Sd/-
Uma Gayathri
Company Secretary



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 center. It also involves in the film production and distribution activities; engages in wind power generation; and operates hotels. 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 March 31, 2019 were approved by the Board of Directors and authorised for issue on 30th May, 2019. 1 Significant Accounting Policies

1. Significant Accounting Policies

1.1 Basis of preparation of financial statements

These standalone 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 with effect from April 1, 2017.

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:

With Effective from April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative catchup method. The effect of initially applying this standard is recognised at the date of initial application (i.e .April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated i.e. the comparative information continues to be reported under Ind AS 18. The impact of adoption of the standard on the financial statements of the Company is insignificant.

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 value added 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 and Goodwill

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.

The estimated useful lives of intangible asset is as follows:

Type of Asset	Useful life
Intangible Asset	10 Years

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 collectiong 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.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

1.15 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:

Sr. No.	Name of the Related Party	Relationship
1	Satyavathi Perla	Executive Director-Chairperson
2	Ambica Ramachandra Rao Alapati Ganga Naga Venkata	Executive Director
3	Ambica Krishna	Chief Executive Officer & President
4	Ambica Siva Kumar Alapati	Executive Director
5	Ambica Hanuma Alapati (Key Managerial Person)	Chief Financial Officer
6	Venkatesan Sreedharan	Non-Executive - Independent Director
7	Thandavakishore Puvvada	Non-Executive - Independent Director
8	Narayanam Kameswara Rao	Non-Executive - Independent Director
9	Uma Gayathri (Key Managerial Person)	Company Secretary
10	ACP Industries Limited	Entity in which Director is related
11	Elite Agro Trading	Entity in which Director is related
12	Om Trading	Entity in which Director is related

A. Related party Transactions for the year ended March 31, 2019:

(Amount in ₹)

Nature of transaction/ relationship/Major parties		Transactions		Balance Outstanding	
Sr. No.	Particulars	2018-2019	2017-2018	2018-2019	2017-2018
		Amount	Amount	Amount	Amount
1	ACP Industries Limited				
	Sales	15,921,630	98,028,624	-	-
	Purchases	420,249,288	184,921,778	-	-
	Caution Deposit	-	-	120,000,000	120,000,000
	Investment valued at cost	-	-	150,000,000	150,000,000
	Other Loans and advances	-	-	48,627,687	95,942,525
2	Elite Agro Trading				
	Sales	315,194,486	222,748,774	76,208,904	23,731,815
3	Om Trading				
	Sales	22,344,763	24,984,000	-	-
	Purchases	251,083,701	211,684,036	-	-



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

A. List of Transactions with directors and key management personnel

(Amount in ₹)

Particulars	Remuneration Paid in FY 2018-19	Remuneration Paid in FY 2017-18
Ambica Krishna	2,400,000	2,400,000
A Ramachandra Rao	400,000	1,200,000
Ambica Hanuma Alapati	1,200,000	1,200,000
A Siva Kumar	1,200,000	1,200,000
P Satyavathi	1,000,000	-

Remuneration and reimbursement of expenses to non-executive directors and independent directors

(Amount in ₹)

Particulars	Paid in FY 2018-19	Paid in FY 2017-18
Nil	Nil	Nil

1.16 EARNINGS PER SHARE

Sr. No.	Particulars	For the Year	For the Year
		Ended 31.03.18	Ended 31.03.17
1	Profit after Tax	102,469,596	(178,218,589)
2	Weighted average no. of Equity Shares	17,177,400	17,177,400
3	Face value per Share	10.00	10.00
4	Basic earning per Share	5.97	(10.38)
5	Diluted earning per Share	5.97	(10.38)



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 2 . Property, plant and equipment and Intangible assets

	Land	Buildings	Lease hold Buildings	Plant and equipments	Furniture and Fixtures	Computer	Vehicles	Total (Property, plant and equipment)	Intangible Assets - Software
Deemed Cost									
As at April 01, 2017	5,783,899	123,852,489	97,441,772	267,690,786	181,441,839	12,446,035	81,334,243	769,991,063	1,316,500
Additions	-	-	-	931,014	565,282	208,085	1,221,530	2,925,911	-
Revaluation	800,850,361	110,823,305	-	-	-	-	-	911,673,666	-
Reclassification	-	-	67,628,327	-	-	-	-	67,628,327	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2018	806,634,260	234,675,794	165,070,099	268,621,800	182,007,121	12,654,120	82,555,773	1,752,218,967	1,316,500
Additions	-	11,145	-	2,858,157	485,820	481,776	14,318,899	18,155,797	-
Reclassification	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	91,906	-	7,540,000	7,631,906	-
As at March 31, 2019	806,634,260	234,686,939	165,070,099	271,479,957	182,401,035	13,135,896	89,334,672	1,762,742,858	1,316,500
Depreciation									
As at April 01, 2017	-	31,627,944	12,681	160,409,485	129,862,951	12,050,309	46,869,891	380,833,261	1,101,207
Reclassification/(Excess)	-	-	4,547,337	-7,533,352	-	-	-	-2,986,015	-
Charge for the year	-	-	1,014,775	28,012,326	9,667,986	2,963,154	8,610,371	50,268,612	21,304
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	31,627,944	4,560,018	152,876,133	129,862,951	12,050,309	46,869,891	434,087,888	1,122,511
Reclassification/(Excess)	-	-1,560,301	-	-	-	-	-	-1,560,301	-
Charge for the year	-	4,121,775	3,883,486	15,194,163	9,075,669	233,276	5,951,333	38,459,702	21,304
Disposals	-	-	-	-	-	-	4,486,656	4,486,656	-
As at March 31, 2019	-	37,310,020	8,443,504	168,070,296	138,938,620	12,283,585	48,334,568	469,621,235	1,143,815
Net block									
As at March 31, 2019	806,634,260	197,376,919	156,626,595	103,409,661	43,462,415	852,311	41,000,104	1,293,121,623	172,685
As at March 31, 2018	806,634,260	203,047,850	160,510,081	115,745,667	52,144,170	603,811	35,685,882	1,318,131,079	193,989



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 3

Non-Current Investments

(All Amounts in Rs. except as otherwise stated)

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
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/-)	61,209,308	56,806,782
Total	61,209,308	56,806,782

Note 4

Other Non current Financial Assets

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Other loans and advances		
Security Deposits (Valued at Cost)	7,662,937	27,473,153
Loans to Others	-	2,236,435
Trade Deposits (Valued at Cost)	120,000,000	120,000,000
Capital Advances	-	13,100,000
Total	127,662,937	162,809,589

Note 5

Other Non current Assets

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Interest receivable on preference shares	80,867,933	87,602,316
Total	80,867,933	87,602,316

Note 6

Inventories

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Inventories		
Raw Materials	26,434,545	14,275,532
Packing Materials	3,240,000	4,078,410
Finished Goods	3,296,405	1,075,168
Total	32,970,950	19,429,110



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 7 Trade Receivables

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Unsecured, considered good		
Others	142,387,798	127,191,818
Less: Allowances for receivables		-2,783,138
Total	142,387,798	124,408,679

Note 8 Cash and cash equivalents

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Balances with Banks	26,661,244	67,793,715
Cash on hand	1,229,330	2,150,906
Total	27,890,574	69,944,621

Note 9 Other Current Financial Assets

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Deposits with others	2,353,623	3,060,823
Staff Advances	-	840,271
Prepaid Expenses	-	5,841,426
Rent Receivables	-	1,893,203
Other Advances	165,651,858	153,089,456
Total	168,005,480	164,725,179

Note 10 Other current assets

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
With Statutory Authorities	540,473	7,520,487
GST Receivable	6,874,973	5,365,263
Total	7,415,446	12,885,750



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 12 Borrowings

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Non current Secured Loans		
Vehicle Loans Taken from Banks and Financial Institutions	17,685,425	9,169,507
LIC Housing Finance Limited	637,580,246	632,000,000
Less: Current Maturities of Long Term Debts from Bank and Financials Institution	-	-22,987,822
Unsecured Loans	-	-
Loans from Directors and Relatives	-	62,510,807
From Others	5,000,000	456,800
	660,265,671	681,149,292
Current Secured:		
(a) Loan repayable on demand :	-	
Working Capital Loan - CC	-	61,076,824
Current Maturities of Long Term Debts from Bank and Financials Institution	-	22,987,822
Unsecured Loans	-	
Loans from Directors and Relatives	-	
From Others	8,469,192	
	8,469,192	84,064,646
Total	668,734,863	765,213,938

Note 13 Other Financial Liabilities - Non Current

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Trade Deposits	-	5,357,000
Other Payable	-	
Total	-	5,357,000

Note 14 Financial liabilities - Trade payables

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Trade Payable		
Related parties	-	
Others	34,105,337	38,376,860
Total	34,105,337	38,376,860



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 15

Financial liabilities - others

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Salaries Payable	-	3,421,300
Other Payables	2,377,766	-
Total	2,377,766	3,421,300

Note 16

Other Current Liabilities

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
TDS Payable	2,484,179	2,016,971
Unpaid Dividend	623,674	623,674
Duties and Taxes	-	6,191,652
Advances form customers	-	13,738,047
Other Payables	45,969,075	4,421,421
Total	49,076,928	26,991,763

Note 17

Revenue from operations

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Revenue from Sales of Products	1,190,157,567	1,095,251,878
Revenue from Sales of Services (Hotel Division)	181,517,053	131,202,618
Other Operating revenues	10,390,063	27,120,659
Total	1,382,064,683	1,253,575,154

Note 18

Other income

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Interest	6,112,108	1,003,746
Other Non Operating Income	22,103,802	14,897,441
Total	28,215,910	15,901,187



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 19 Cost of Material Consumed

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Opening Stock		
Raw Material	9,874,780	180,625,274
Packing Materials	4,078,410	6,198,467
	13,953,190	186,823,741
Add: Purchases		
Raw Materials	150,727,859	171,776,967
Packing Materials	18,967,590	30,580,831
	169,695,449	202,357,798
Less: Closing Stock		
Raw Materials	21,574,780	9,874,780
Packing Materials	3,240,000	4,078,410
	24,814,780	13,953,190
Cost of Material Consumed		
Raw Materials	139,027,859	342,527,461
Packing Materials	19,806,000	32,700,888
	158,833,859	375,228,349

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

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Opening Stock		
Durbar	230,510	230,510
Scented	826,236	826,236
Oil	9,648	259,150
Camphor	8,974	484,911
Total	1,075,368	1,800,807
Closing Stock		
Durbar	212,800	230,510
Scented	2,712,605	826,236
Oil	220,000	9,648
Camphor	151,000	8,974
Total	3,296,405	1,075,368
		-
Total	-2,221,037	725,439



**Note 21
Employee Benefits Expense**

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Salaries and wages	44,117,672	36,969,905
Remuneration to Directors	3,800,000	3,600,000
Bonus	793,517	-
Contribution to employee benefits	1,259,676	1,411,455
Staff welfare expenses	1,341,503	1,894,395
Total	51,312,368	43,875,755

**Note 22
Finance costs**

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Interest on Term Loans & Others	69,762,889	81,896,259
Other Borrowing Cost	-	2,879,398
Bank Charges	171,174	-
Total	69,934,063	84,775,657



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

Note 23 Other expenses

Particulars	For the Year Ended 31-03-2019	For the Year Ended 31-03-2018
Advertisement Expenses	13,473,658	14,641,805
AMC Charges	2,290,409	-
AGM Expenses	641,700	-
Audit Fee	750,000	712,500
Bad WrittenOff	4,665,438	4,824
Bank Charges	1,077,036	1,603,534
Computer Maintenance	-	357,794
Donation	1,218,230	496,956
Hire Charges	113,730	76,354
Freight	13,298,404	16,347,863
Insurance	2,734,573	2,301,691
Interest on Taxes	90,608	208,068
Internal Audit Fee	434,450	410,000
Licenses Fee	3,774,273	2,652,235
Listing Fee	2,280,270	352,599
Loss on Sale of Assets	1,163,344	-
Linen and Room Supplies	23,285,659	16,310,989
Office Maintenance	22,107,685	5,970,435
Agarbathi Making & Packing Charges	8,320,885	16,321,717
Postage and Courier	180,465	78,094
Power and Fuel Charges	17,659,761	27,637,234
Printing & Stationary	5,399,131	1,005,673
Professional and Consultancy Expenses	1,395,642	986,040
Rates and Taxes	4,200,352	3,679,947
Rating Charges	88,500	-
Rent	5,608,319	4,943,483
Repairs and Maintenance to Assets	12,296,389	12,969,641
Roc Charges	349,999	-
Sales Promotion	17,011,174	12,025,582
Traveling and Conveyance	7,614,520	6,037,998
Vehicle Maintenance	6,356,490	6,889,991
Discounting Interest on Pref. Shares	6,734,382	-
Total	186,615,477	155,023,047



Statement of Changes in Equity

A. Equity

Particulars	in No's	in Rs.
Balance as on 1 April 2017	17,177,400	171,774,000
Changes in equity share capital during the year	-	-
Balance as on 31 March 2018	17,177,400	171,774,000
Changes in equity share capital during the year	-	-
Equity Balance as on 31 March 2019	17,177,400	171,774,000



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

B. Other Equity

Particulars	General Reserves	Security Premium	Capital Reserve	Invest Subsidy	Retained Earnings	Total other equity attributable to Equity holders
Ind AS Opening Balance as at 1 April 2017	17,772,017	24,800,035	521,230	1,394,273	156,921,823	201,409,378
Profit for the Year	-	-	-	-	(178,218,589)	(178,218,589)
Other Comprehensive income	-	-	-	-	629,966,503	629,966,503
Other Ind As Adjustments	-	-	-	-	27,194,202	27,194,202
Ind AS Closing Balance as at 31 March 2018	17,772,017	24,800,035	521,230	1,394,273	635,863,939	680,351,494
Balance as at 1 April 2018	17,772,017	24,800,035	521,230	1,394,273	635,863,939	680,351,494
Profit for the Year	-	-	-	-	102,469,596	102,469,596
Prior Period Taxes	-	-	-	-	(23,727,613)	(23,727,613)
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	(1,658,524)	(1,658,524)
Ind AS Other Equity Closing Balance as at 31 March 2019	17,772,017	24,800,035	521,230	1,394,273	712,947,399	757,434,954

As per our report of even date.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants
Firm Regn No.010396S/S200084

Sd/-
C V Koteswara Rao
Partner
Membership No-028353

Place: Hyderabad
Date: 30-05-2019

For and on behalf of the board

Sd/-
Ambica Krishna
Chief Executive Officer and President

Sd/-
Ambica Siva Kumar Alapati
Director

Sd/-
Satyavathi Perla
Executive Director

Sd/-
Ambica Hanuma
Chief Financial Officer

Sd/-
Uma Gayathri
Company Secretary



E-VOTING PROCESS

Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (I) The voting period begins on FRIDAY 27th SEPTEMBER, 2019 to SUNDAY 29th SEPTEMBER, 2019 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
- (vi) For CDSL: 16 digits beneficiary ID,
- (vii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (viii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (ix) Next enter the Image Verification as displayed and Click on Login.
- (x) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (xi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
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">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in DD/MM/YYYY format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (xii) After entering these details appropriately, click on "SUBMIT" tab.
- (xiii) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

- (xiv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xvi) 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.
- (xvii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xviii) 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.
- (xix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xxi) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxii) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - 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 they have to create 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 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.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
 - The Company has appointed **Mr. Jineshwar Kumar Sankhala**, Practicing company secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting.



AMBICA AGARBATHIES AROMA & INDUSTRIES LIMITED

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 24th Annual General Meeting of the shareholders of Ambica Agarbathies Aroma & Industries Limited on Monday 30th September, 2019 at 11.00 A.M. at the Registered Office of the Company at Shankar Towers, Power pet, Eluru, West Godavari District Andhra Pradesh – 534001.

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)

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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 – 534001
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 24th Annual General Meeting of the company, to be held on the Monday of 30th September, 2019 At 11 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, 2019 the reports of the Board of Directors and Auditors thereon		
2.	To appoint a director in place of Ambica Siva Kumar Alapati (DIN- 00392295), who retires by rotation and being eligible offers himself for re-appointment as a director in the company		
3.	Appointment of Ambica Ramachandra Rao as Director of the Company		
4.	To approve the appointment and remuneration of Sri Ambica Ramachandra Rao as Wholetime Director of the Company		
5.	Appointment of Sri. Venkatesan Sreedharan (DIN 00234280) as non-executive, independent director of the company		
6.	Appointment of Sri. P Kishore Thandava (DIN:02398928) as non-executive, independent director of the company		
7.	Approval for Related Party transactions		

Signed this day of 2019.

Affix
Revenue
Stamp

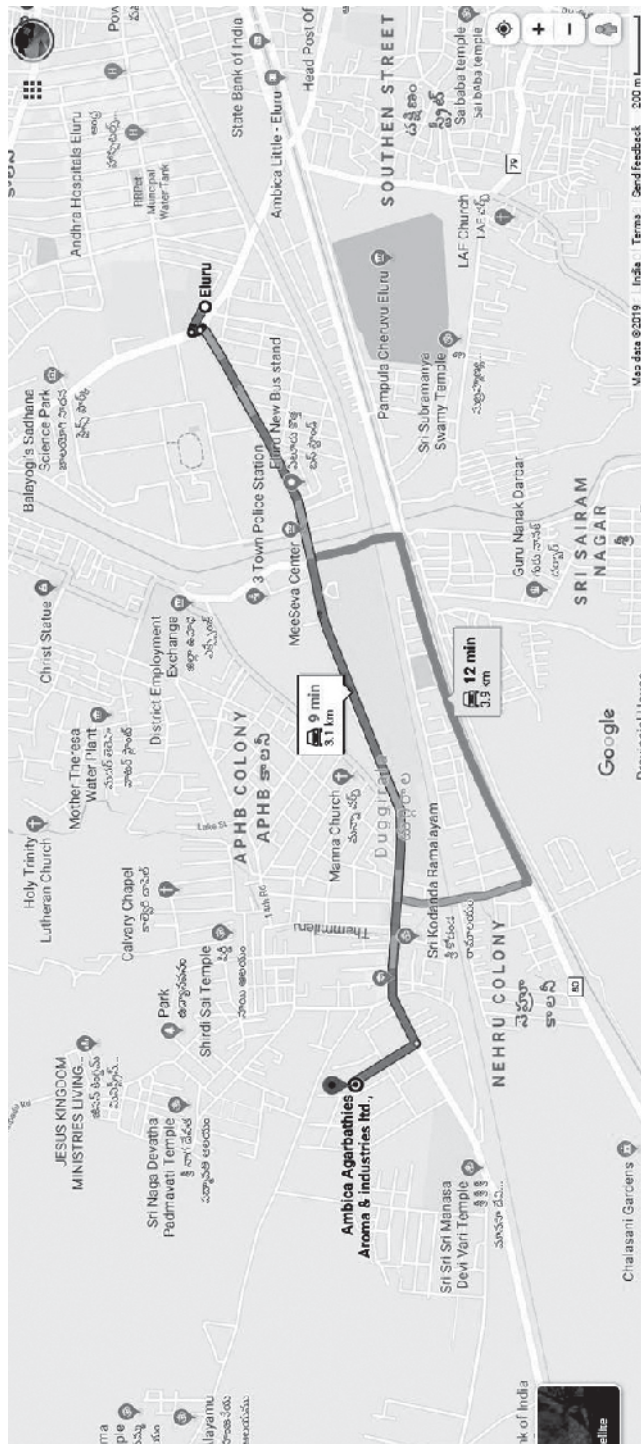
Signature of shareholder:

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.



ROUTE MAP





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STAMP

if undelivered please return to :

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