

# *Oriental Aromatics*

Ref: OAL/BSE/NSE/49/2023-24  
24<sup>th</sup> July, 2023

To  
The Manager  
Department of Corporate Services,  
**BSE Limited**,  
Phiroz Jeejeebhoy Towers  
Dalal Street, Mumbai- 400 001  
**Scrip ID: OAL**  
**Scrip Code: 500078**

To  
The Manager  
Listing Department,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051  
**Symbol: OAL**  
**Series: EQ**

**Sub: Annual Report of the Company for the Financial Year 2022-23**

**Ref: Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')**

Dear Sir/Ma'am,

We hereby wish to inform you that the 51<sup>st</sup> Annual General Meeting ("AGM") of the members of the Company will be held on Thursday, 17<sup>th</sup> August, 2023 at 11:00 a.m. IST through video conferencing ('VC') or other audio-visual means ('OAVM').

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of the Company along with the Notice of the 51<sup>st</sup> Annual General Meeting of the Company for the Financial Year 2022-23 which is being sent through electronic mode to the Members whose email ids are registered with the Company. Further, Physical Copies are also being sent to those shareholders who have requested for the same.

The Annual Report including the Notice of the AGM is also uploaded on the Company's website at <http://www.orientalaromatics.com/annual-reports/1.pdf>

This is for your information and records.

Thanking you,

Yours Faithfully,

**For Oriental Aromatics Limited**

Digitally signed by Kiranpreet Gill, DN: cn=Kiranpreet Gill, o=Oriental Aromatics Limited, email=kiranpreet.gill@orientalaromatics.com, c=IN  
KIRANPREET  
KAUR GILL

**Kiranpreet Gill**

**Company Secretary & Compliance Officer**

Encl: As above

*Oriental Aromatics Ltd.*

**Registered Office** 133, Jehangir Building, 2nd Floor, M.G. Road, Fort, Mumbai 400 001, India.

**T** +91-22-66556000 / 43214000 **F** +91-22-66556099 **E** oa@orientalaromatics.com **CIN** L17299MH1972PLC285731

[www.orientalaromatics.com](http://www.orientalaromatics.com)

*Oriental Aromatics Ltd.*



Creators & Manufacturers of Flavours | Fragrances | Specialty Aroma Chemicals | Camphor

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# Corporate Information

## Executive Directors

**Mr. Dharmil A. Bodani**  
Chairman & Managing Director

**Mr. Shyamal A. Bodani**  
Executive Director

**Mr. Satish K. Ray**  
Executive Director - Operations

## Independent Directors

**Mr. Prakash V. Mehta**

**Mr. Ranjit A. Puranik**

**Mr. Harshvardhan A. Piramal**

**Ms. Amruda V. Nair**

## Chief Executive Officer

**Mr. Parag Satoskar**

## Chief R&D Officer

**Ms. Anita P. Satoskar**

## Chief Financial Officer

**Mr. Girish Khandelwal**

## Company Secretary & Compliance Officer

**Ms. Kiranpreet Gill**

## Statutory Auditors

M/s Bagaria & Co. LLP, Chartered Accountants  
701, Standford Junction of S. V. Road, Barfiwala  
Marg, Andheri (West), Mumbai-400 058

## Corporate Identification Number

L17299MH1972PLC285731

## Registered/Corporate Office

133 Jehangir Building, 2nd Floor, Mahatma Gandhi Road,  
Mumbai - 400 001

Tel: 91 22 43214000

Fax: 91 22 43214099

Website: [www.orientalaromatics.com](http://www.orientalaromatics.com)

Email: [cs@orientalaromatics.com](mailto:cs@orientalaromatics.com)

[investors@orientalaromatics.com](mailto:investors@orientalaromatics.com)

## Registrar and Transfer Agents (RTA)

### Link Intime India Private Limited

C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai - 400 083

Tel: 022-49186270

Fax: 022-49186060

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Bankers

Citi Bank N.A.

DBS Bank India Limited.

HDFC Bank Limited.

Kotak Mahindra Bank Limited

Standard Chartered Bank

The Hongkong and Shanghai

Banking Corporation Limited

(HSBC)

## Works

### Ambernath

Plot No. M-5, MIDC, Additional Ambernath Ind Area,  
Village - Jambhivli, Ambernath (E),

Dist. - Thane 421 506, India.

Tel: +91 251 2624700

Fax: +91 251 2624799

### Bareilly

P.O. Clutterbuckganj, Dist. Bareilly (U.P) 243 502,  
India

Tel: +91 581 2561115/2561128

Fax: +91 581 2561112

### Vadodara

Plot No. 3, GIDC Ind Estate, Nandesari,  
Vadodara-391 340,

Gujarat, India

Tel: +91 265 2842200

Fax: +91 265 2840224

### R&D Lab- Chandivali

Address: Unit No. 301, 302 & 303, G Wing,  
Tex Centre, Chandivali Farm Road, Chandivali,

Andheri (E), Mumbai- 400 072,

Tel: +91 22 45434000

### Mahad (Unit of Oriental Aromatics & Sons Limited)

Plot No. FS-43 & 37, Additional MIDC

Mahad, Raigad-402 309, Maharashtra.

Tel: 022-49186270

Fax: 022-49186060

# Oriental Aromatics

## From Molecules to Magic

**Oriental Aromatics has a rich legacy spanning multiple decades of exploration and innovation during which it has established deep expertise and reputation in the world of smell, taste, health and spirituality. Today, we proudly rank among the leading fully integrated manufacturers of flavours, fragrances, specialty aroma chemicals, and camphor.**

In the manufacturing industry, Oriental Aromatics stands as a dynamic force, driven by unwavering passion and boundless creativity.

Our founder, Mr. Keshavlal Bodani, was intrigued by the mystique of perfume and thus founded the flavour and fragrance division of Oriental Aromatics back in 1955. Since then, the Company has been nurtured by three generations of the Bodani's, evolving, innovating, and keeping the dream alive.

Through years of dedicated pursuit, we have transformed into a comprehensive manufacturing conglomerate, boasting a rare fusion of creativity & expertise that sets us apart. We combine expertise, ingenuity, and sustainable practices to create winning solutions that captivate the senses and help our partners craft memorable products.

Our primary focus on sensory delight ensures that our delightful flavours, enchanting fragrances, and divine

camphor offerings create lasting and unforgettable experiences for consumers.

In 2008, we acquired a majority stake in Camphor & Allied Products Limited. (CAPL), a prominent supplier of camphor and specialty aroma chemicals. This strategic move consolidated our market position, and in 2017, Oriental Aromatics merged completely with CAPL, leading to the formation of Oriental Aromatics Limited.

Today, we proudly rank among the leading fully integrated manufacturers of flavours, fragrances, specialty aroma chemicals, and camphor. Our expertise and comprehensive offerings make us trusted partners to renowned brands in India and around the world, particularly in the perfumery, FMCG, food and beverage, religious, and pain-relief sectors. We consistently deliver innovative and high-performance products that exceed expectations.

## 68 years of Legacy

- ▶ Pioneer in the field of Terpene Chemistry
- ▶ 6 Decades of experience in Aroma Chemicals
- ▶ Close to 7 decades of experience in F&F
- ▶ Total manufacturing capacity of 20,100 MT for Flavours, Fragrances, Specialty Aroma Ingredients and Camphor
- ▶ Generational relationship with FMCG companies
- ▶ Sustainable supplier of Camphor and generic Specialty Aroma Ingredients over the past 51 years to more than 500 active customers globally
- ▶ 2,534 Winning Fragrances in FY 2022-23
- ▶ Expert team that combines consumer insights, trend analysis, and market intelligence to deliver optimal solutions
- ▶ Deep focus on Industry 4.0, sustainable and green chemistries



3

Manufacturing Sites Across India



2

R&D Centre and Process Re-Engineering Lab



1,302

Total Employees



1,000+

Customers



40

Presence in Countries Across 5 Continents



# Evolve, Excel and Ensure Sustainability

## The World of Oriental Aromatics



### EVOLVE

Oriental Aromatics embodies the philosophy of continuous evolution, surpassing mere words to create a lasting impact. With a rich legacy of exploration, innovation, and expertise spanning decades, we have established a distinguished reputation in the domains of smell, taste, health, and spirituality.

Over time, our Company has transformed into one of the leading fully integrated Flavours & Fragrance companies. Our relentless pursuit of expansion in specialty aroma ingredients and terpene chemicals allows us to introduce new products and readily cater to the needs of our Fragrance division. This ongoing expansion empowers us to provide exceptional offerings and meet diverse customer requirements.

### ENSURE SUSTAINABILITY

In an era where sustainability has become a necessity rather than a choice, Oriental Aromatics is firmly committed to ensuring both the longevity of their business and the well-being of the planet. With the motto 'Ensure Sustainability,' our Company emphasises the alignment of commercial aspirations with environmental responsibilities. We actively pursue sustainability across all levels of operations, making it a core value that guides our actions. By embracing responsible practices and sourcing, we not only protect the environment but also support the long-term well-being of communities.

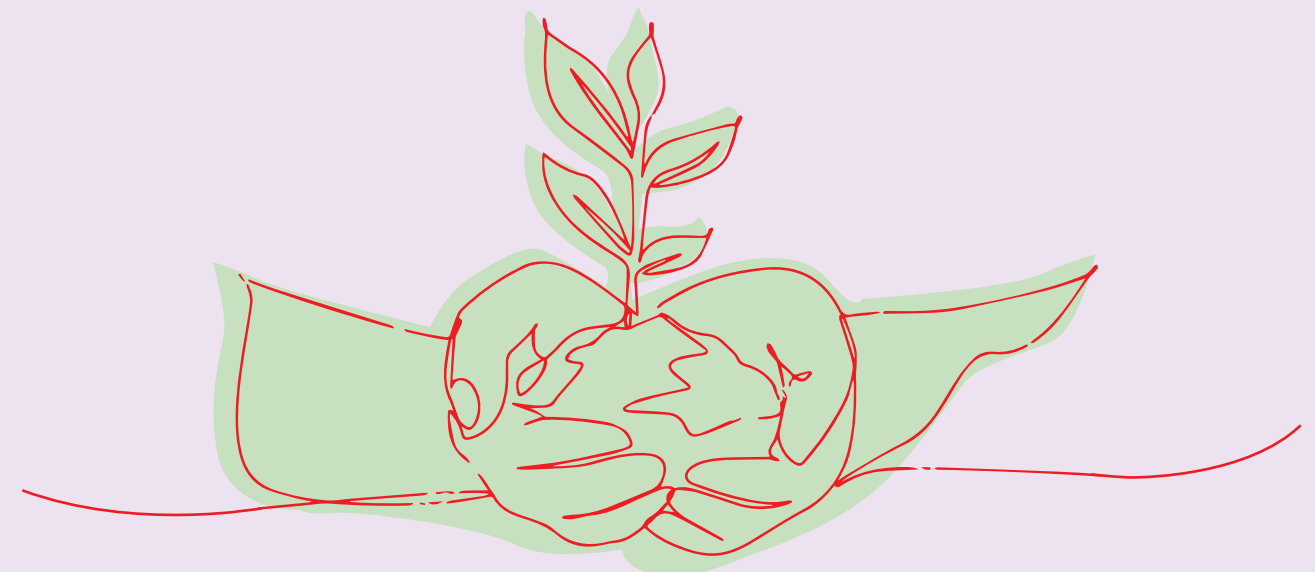
Within our F&F division, we prioritise the use of biodegradable materials to create more sustainable fragrances. Just as a rare perfume preserves the essence of nature's most precious elements, Oriental Aromatics seeks to bring joy through scents while respecting and protecting the Earth's resources. This harmonious blend of aspiration and responsibility exemplifies our holistic and sustainable approach to growth.



### EXCEL

The word 'Excel' serves as a testament to Oriental Aromatics' unwavering commitment to excellence in every aspect of its operations. By harmonising traditional practices with modern methodologies, we ensure the delivery of high-quality aromatic innovations that leave a lasting impression. Our products not only meet but surpass industry standards, driven by our continuous efforts in process reengineering.

In the Flavours and Fragrances (F&F) realm, we strive for excellence by creating new fragrance templates and utilising both internal and external materials to offer winning fragrances to our valued customers. Oriental Aromatics embodies excellence through expertise, attention to detail and commanding admiration, much like a captivating scent.

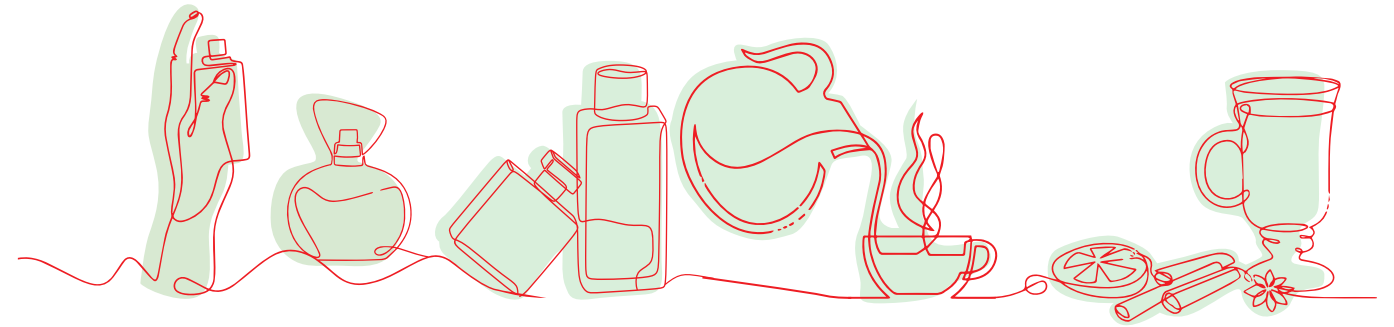


# Product Portfolio

## Aromatic Innovations Enhancing Lives

Oriental Aromatics takes pride in its diverse product mix, strategically catering to various industries, such as perfumery, FMCG, food and beverages, pharmaceutical and religious industries. This varied range of offerings not only strengthens our position in the market but also acts as a cushion against demand fluctuations in any specific industry.

By combining our comprehensive industry expertise with a commitment to sustainability, we ensure that our creations not only deliver exceptional sensory experiences but also earn the trust of our valued partners.



### FLAVOURS

In the rapidly expanding food and nutrition market, Oriental Aromatics is determined to establish a strong presence in the flavour segment. Leveraging our expertise, we have the capability to create exceptional flavours across a wide range of applications, including sweets, processed food, beverages & dairy products. Our focus on bringing moments of delight through delectable flavours and appealing taste experiences enable us to captivate consumers and meet their evolving preferences.

#### Applications

- Beverages
- Oral Hygiene
- Sweets
- Instant Foods
- Dairy Products



### FRAGRANCES

Oriental Aromatics' fragrance segment thrives on our long-standing relationships with customers, particularly FMCG companies. Our ability to collaborate with diverse companies and transform ideas into exceptional products sets us apart from the competition. By leveraging deep consumer insight, backward integration, and extensive technical know-how in perfumes and market trends, we consistently deliver innovative solutions. With our diverse range of products offering perfumery applications, we enhance the sensory experiences of our consumers.

#### Applications

- Incense Sticks
- Soaps & Shampoos
- Detergents
- Fine Fragrances
- Essential Oils
- Hair Oils



### SPECIALTY AROMA INGREDIENTS

With its unique market position, Oriental Aromatics has the capability to manufacture wide ranges of intricate specialty aroma ingredients. Our portfolio includes an intriguing basket of sustainable and biodegradable options that align with market requirements. Through our commitment to developing specialised aroma ingredients, we provide our partners with innovative solutions that enhance their products.

#### Applications

- Flavours & Fragrance



### CAMPHOR & TERPENE CHEMICALS

Oriental Aromatics, as a pioneer in the manufacturing of synthetic camphor, holds a distinguished status in the camphor industry. With a rich heritage, we are one of the oldest and largest camphor manufacturers in India. Our camphor products which are USFDA and WHO-GMP approved are widely used in religious ceremonies, as well as in medicinal applications. Building on our legacy of excellence, we strive to consistently meet the demands of this niche market.

#### Applications

- Religious Purposes
- Medicinal Purposes
- Pain-relief Management



# Message from the Chairman & Managing Director



» Today, Oriental Aromatics stands as a leading fully integrated global company, specialising in the manufacturing of Flavours, Fragrances, specialty aroma ingredients, and camphor. Our unwavering commitment to excellence and dedication to customer satisfaction have propelled us to the forefront of the industry. By expanding our capabilities, diversifying our product portfolio, and venturing into new markets, we have strengthened our position and continue to build on this and take your Company to greater heights.



## Dear Shareholders,

I am delighted to extend a warm welcome to all of you at the 51st Annual General Meeting of Oriental Aromatics. The year 2022-23 at Oriental Aromatics was another significant year of resilience and optimism and it wouldn't have been possible without the coherence of our team and the support of our stakeholders.

Today, Oriental Aromatics stands as a leading fully integrated global company, specialising in the manufacturing of Flavours, Fragrances, Specialty Aroma Ingredients, and Camphor. Our unwavering commitment to excellence and dedication to customer satisfaction have propelled us to the forefront of the industry. By expanding our capabilities, diversifying our product portfolio, and venturing into new markets, we have strengthened our position and continue to build on this and take your Company to greater heights.

The relentless dedication and excellent performance of our passionate team have been instrumental in understanding client needs, exploring innovative solutions, and delivering perfect formulations. We extend our heartfelt appreciation to our team for their unwavering commitment and outstanding contributions.

Today, we gather to recognize the challenges we faced and the actions we took to overcome them. It's a time to celebrate our achievements, share insights, and embrace the opportunities that lie ahead. Let us come together with optimism and determination as we navigate the future together.

I would like to provide a brief overview of Oriental Aromatics' business divisions, which include Flavours, Fragrances, Specialty Aroma Ingredients, and Camphor.

### On the Business front:

In the F&F division, we encountered some initial challenges as prices remained firm in the first half of the year. However, we seized the opportunity when prices reduced in the second half, allowing us to secure more business and increase the total volume of fragrances sold. Our order book for the F&F division remains strong, and we recently completed the successful adoption of two major fragrances in the Air-care Segment from a leading FMCG company. Our export business is also experiencing healthy

growth in all the geographies we operate. Despite the challenges, we aim to maintain the same momentum and growth in the F&F division in the current year. Moving on to the Specialty Aroma Ingredients sector, we witnessed increased competition from Global players. Nonetheless, Oriental Aromatics has performed remarkably well in the past year, with our products receiving numerous global approvals. Our newly commissioned single-product plant for Sealone has shown healthy growth and received positive feedback from customers. The Camphor and Terpene Chemicals segment has faced intense competition, impacting pricing and profitability. However, our advantage lies in being one of the oldest, most productive, and aggressive manufacturers in this field. We continue to focus on value-added products to maximize profitability and achieve sales growth. It is important for us to monitor the challenges and take proactive steps to ensure productivity, growth, and profitability in this segment

With these progresses, our production and sales volumes stood at 14,792 MT and 13,784 MT respectively, for the year under review. As a reflection of our continued momentum during the year, we registered total revenue of ₹ 8,490.7 Million during FY 2022-23, while EBITDA stood at ₹ 5,421 Million.

### Going Forward:

Throughout the year, we made significant progress in our expansion plans. The receipt of Environmental Clearance for our Mahad plant was one such milestone, marking a major step forward in our growth strategy. The expansions at our Baroda facility are also moving ahead as planned, with slight adjustments to the schedule. Despite these minor delays, we are pleased with the overall progress and remain committed to achieving our expansion goals. As we continue our journey, your Company remains committed to achieving success through innovation, efficient supply chain management, and expanding its customer base. By embracing innovation and enhancing operational efficiency, we strive to create value and foster enduring partnerships.

To mitigate risks and enhance the raw material strategy by diversifying our raw material sources and exploring alternative technologies, we aim to reduce dependence on specific inputs and build a resilient

supply chain for seamless operations. This de-risking approach allows us to navigate through market fluctuations and ensure a steady flow of materials, contributing to the stability and sustainability of our business.

**ESG Initiatives & Sustainability:**

As the director, responsible for the business responsibility & sustainability report at Oriental Aromatics, I am proud to highlight our commitment to ESG challenges, targets, and achievements.

We recognize that operating responsibly is essential for sustainable business growth and long-term value creation. Environmental and social sustainability is an integral part of our development strategy, and we have implemented various programs internally to ensure these objectives are consistently met. In terms of environmental challenges, we have set targets to reduce our carbon emissions, minimize waste generation, and conserve natural resources. Through the implementation of energy-efficient practices like Continuous process re-engineering (CPR) and the adoption of renewable energy sources, we have made significant progress in reducing our environmental footprint. On the social front, we prioritize the well-being and development of our employees, ensuring a safe and inclusive work environment. We have implemented various employee welfare programs, training initiatives, and diversity and inclusion policies to foster a culture of respect and equal opportunity. Our membership in platforms like Ecovadis and Carbon disclosure project (CDP) aligns us with global principles of social sustainability.

In terms of governance, we have enhanced our corporate governance practices to ensure transparency, accountability, and ethical behaviour. Our board of directors and management team adhere to the highest standards of integrity, ensuring fair and responsible decision-making. We prioritize EHS initiatives with an unlimited budget, striving to improve the well-being of our employees and stakeholders, including the wider society. By addressing ESG challenges, setting ambitious targets, and achieving tangible results, we are building a sustainable future for your Company, stakeholders, and the communities

we serve.

**Summing up:**

Oriental Aromatics is proud to share that we are on track to establish ourselves as a global supplier in all operational areas, with a significant market share across our product offerings. This strategic move aligns with our vision for growth and allows us to strengthen our global network, enabling us to better serve our customers. We value the deep relationships we have built and actively engage with our customers to understand their needs and deliver tailored solutions. We extend our heartfelt gratitude to all our stakeholders for joining us on this value-creating journey and express our appreciation to the Board of Directors for their invaluable guidance and direction.

Looking ahead, Oriental Aromatics is well-positioned for sustainable growth and long-term value creation. We are confident in our ability to adapt to market dynamics and leverage our strengths to seize new opportunities. We humbly seek the continued support and trust of our stakeholders as we embark on this exciting journey. Together, we will build upon our achievements, further strengthen our relationships, and deliver excellence in everything we do. The Board has recommended a final dividend of ₹ 0.5/- per share for FY 2022-23, underscoring our commitment to delivering value to our shareholders.

Warm regards,

**Dharmil A. Bodani**

Chairman and Managing Director

# Letter from The Executive Director



Under our strategic vision to carve out a strong growth chart for our business, we also prioritise global markets while recognising the industry potential within India. We are keenly aware of India's hypergrowth trajectory and aim to leverage this opportunity to propel our Company forward. When determining our strategy, we consider two key factors: assessing projected future demand for the product and prioritising absolute control over our internal processes.





**Dear Shareholders,**

I welcome you all to the Fifty-first Annual General Meeting of Oriental Aromatics. I wholeheartedly thank each one of you for being with us in our journey. We take immense pride in our work over the years and our role as a preferred partner to leading global brands in the perfumery, FMCG, food & beverage, religious and pain-relief sectors, delivering innovative and high-performance products.

We combine expertise, ingenuity, and sustainable practices to create winning solutions that captivate the senses and help our partners craft memorable products. Our primary focus on sensory delight ensures that our delightful flavours, enchanting fragrances, and divine camphor offerings create lasting and unforgettable experiences for consumers.

**Year gone by:**

During the year, we capitalised on opportunities by acquiring new customers globally and expanding our business with existing customers. With a focused approach and unwavering dedication, we are well-positioned to seize opportunities and drive towards our goals in the coming years. The Company today is going and growing strong, driven by our unwavering commitment to customer satisfaction as our top priority, and our continuous pursuit of innovation and growth.

**Strategy & Growth:**

Under our strategic vision to carve out a strong growth chart for our business, we prioritise global markets while recognising the industry potential within India. We are keenly aware of India’s hyper-growth trajectory and aim to leverage this opportunity to propel our Company forward. When determining our strategy, we consider two key factors: assessing projected future demand for the product and prioritising absolute control over our internal processes. With integrated operations spanning product conceptualisation to manufacturing aroma ingredients, flavour & fragrance, we have better control over the entire value chain. This seamless integration, coupled with the expertise of our knowledgeable team, empowers us to meet client requirements quickly and at a sustainable and competitive price. Our philosophy extends beyond traditional limitations, taking a broader perspective for long-term success.

**Going Forward:**

During the year under review, our fragrances, and flavours business experienced remarkable growth, achieving a total of 2,534 winning fragrances. Our team’s dedication and focus on delivering high-quality products resulted in the acquisition of new clients and strengthened relationships with existing customers. At present, our executing capex programmes enhance the capacity of our Camphor and Specialty Aroma Ingredients divisions. While we may encounter some moderate delays due to high prices and geopolitical tensions, our teams remain vigilant in monitoring the situation and taking necessary actions. We have an exciting pipeline of more than 14 product launches planned for our aroma ingredients division—a major milestone for Oriental Aromatics. This initiative showcases our commitment to innovation and reinforces our position as a market leader.

**Sustainability : A key to growth**

Our commitment to sustainable growth drives us to continuously adapt and enhance our operations, placing equal emphasis on integrating green chemistry and engineering. These elements are fundamental to our vision and growth strategy. Through strategic planning and resilient execution, we will overcome obstacles and drive our Company towards a successful future. Our expertise and commitment to innovation have positioned us favourably, allowing us to expand our domestic and international reach. We prioritise reengineering product processes to make them sustainable, undertake green chemistry projects, and actively reduce water consumption. Furthermore, we place utmost importance on health and safety standards at our plants. We implement stringent safety protocols and continuously provide safety training to achieve zero incidents.

**Enabling Communities to Thrive and Flourish**

At Oriental Aromatics, we recognize our responsibility towards society and are committed to promoting inclusive growth and equitable development for all stakeholders. The Keshavlal V. Bodani Education Foundation is an extended arm of our Company and has established the Gateway School of Mumbai in partnership with the Gateway School of New York. This school aims to empower students who face constraints in mainstream educational settings,

fostering their skills and knowledge to become independent and successful individuals contributing positively to society.

We empowered a total of 113 students from the Gateway School of Mumbai and 100 students from Kasturba Gandhi Balika Vidyalaya School, Bareilly through our interventions, creating positive impacts on their lives. Our donation of sewing machines in Nandesari, Vadodara, empowered underprivileged women, fostering financial independence and skill development. During the year, we collaborated with Bal Asha Trust, providing essential healthcare and sanitation items for orphaned children. Additionally, our support to the Blind Foundation of India empowered 90 blind individuals with folding canes. In Ambernath, Maharashtra, our collaboration with the Gurukul Foundation led to a comprehensive eye check-up camp for individuals, prioritizing community well-being. Lastly, in Nandesari, Vadodara, we contributed by donating to enhance healthcare services for the community at the Medical Care Centre Trust.

In Bareilly, we conducted a health checkup program to prioritize community well-being through our Health Care and Sanitation initiative. Recognizing the importance of clean drinking water, we installed RO and SS storage water coolers at Nandesari Police Station in Vadodara and at Zilla Parishad School in Ambernath, providing access to safe drinking water for the community. We collaborated with the youth-led organization “Change is Us” for a beach cleaning activity at Girgaon Chowpatty, Mumbai, collecting 750 kgs of waste, driving positive societal and environmental change. Our active promotion of gardening and tree plantation led to a total of 2,910 trees planted across locations, strengthening our connection with nature and enhancing mental and environmental well-being. To support sustainable energy solutions and the local community, we donated solar lights to Nandesari Gram Panchayat, recognizing the importance of renewable energy for energy efficiency in the nation.

Balancing the needs and concerns of our stakeholders, we strive to minimize our environmental impact and contribute to the well-being of the community. Through our Corporate Social Responsibility (CSR) programs, we actively support social and community initiatives, striving to make a positive impact on the society in which we operate.

**Summing Up:**

On behalf of the Oriental family, I assure you that we will persistently strive for greater heights each year, working towards long-term sustainable profitability for our esteemed shareholders. We remain humbled by your trust in us, and our sincerest pledge is to continue nurturing this trust through dedication, innovation and excellence.

Your support has been, and will continue to be, the catalyst for our growth, guiding us as we strive to reach new summits and shaping the legacy, we are proud to build together.

Warm regards,  
**Shyamal A. Bodani**  
Executive Director

# Our Board of Directors

## Spearheading Evolution, Excellence, and Sustainability



**MR. DHARMIL A. BODANI**  
Chairman & Managing Director

Mr. Dharmil A. Bodani with over three decades of rich experience in the fragrance, flavours, and chemical industry, is a magnetic personality. He has received specialized perfumery training in Grasse, France and has been instrumental in shaping the overall strategy and vision of the group. His visionary leadership has driven Oriental Aromatics to emerge as a fully integrated player in the F&F industry.



**MR. SHYAMAL A. BODANI**  
Executive Director

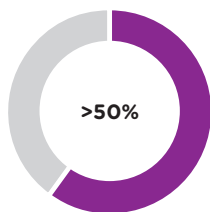
Mr. Shyamal A. Bodani brings over two decades of experience in the fragrance, flavours, and chemical industry. He plays a key role in strategy formation and implementation, focusing on sales and marketing for the chemical division. As the head of execution, he leads project management efforts, ensuring timely completion of projects and meeting financial goals.



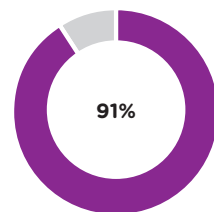
**MR. SATISH KUMAR RAY**  
Executive Director - Operations

Mr. Satish Ray is serving as an Occupier of the factory situated at Bareilly and Vadodara and holds Master's Degree in business administration. He has over twenty-six years of diversified experience in Factory operations, Human resource management and other fields like Policy Formulation, Planning, Commercial etc.

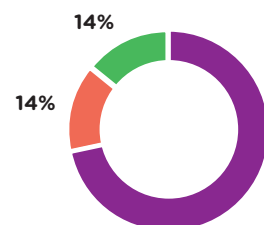
### Governance Highlights



Independent Directors



Average Attendance in Board Meetings



Age Diversity  
Age of 7 members

- 40 to 54 Years
- 55 to 70 Years
- More than 70 Years



**MR. PRAKASH V. MEHTA**  
Non-Executive & Independent Director

Mr. Prakash Mehta has obtained a degree in law from Mumbai University and is a qualified solicitor. He is the Managing Partner at Malvi Ranchoddas & Co., Advocates and Solicitors, a law firm in Mumbai. He brings extensive experience in corporate and commercial legal matters. Mr. Mehta is on the board of several companies in India.



**MS. AMRUDA V. NAIR**  
Non-Executive & Independent Director

Ms. Amruda is an experienced entrepreneur with a strong focus on social impact. With over 15 years of expertise in hospitality and asset management, she has established herself as the Founder and Managing Director of Araiya Hotels & Resorts, a renowned boutique hotel management company in India. She also holds a position on the board of HLV Limited, overseeing the operations of the prestigious luxury business hotel, The Leela in Mumbai.



**MR. HARSHVARDHAN A. PIRAMAL**  
Non-Executive & Independent Director

Mr. Harshvardhan Piramal is the Executive Vice-Chairman of Morarjee Textiles Limited and the Vice-Chairman of Piramal Renewable Energy which is also a part of Ashok Piramal Group. He holds a MBA degree, specializing in Finance and Strategy from the London Business School. Mr. Harshvardhan is a sports enthusiast and is also passionately involved in tiger conservation and is a trustee of Conservation Wildlands trust.



**MR. RANJIT A. PURANIK**  
Non-Executive & Independent Director

Mr. Ranjit Puranik is serving as the Managing Director of Shree Dhootapapeshwar Ltd., a family led enterprise involved in manufacturing of Ayurveda healthcare formulations. He is a Trustee of All India Ayurveda Congress and World Ayurveda Foundation, and is involved with active advocacy for all matters within the realm of Ayurveda. He also serves as President of Ayurvediya Prasarak Mandal and is Advisor to the Herbal and AYUSH Panel at PHARMEXCIL.



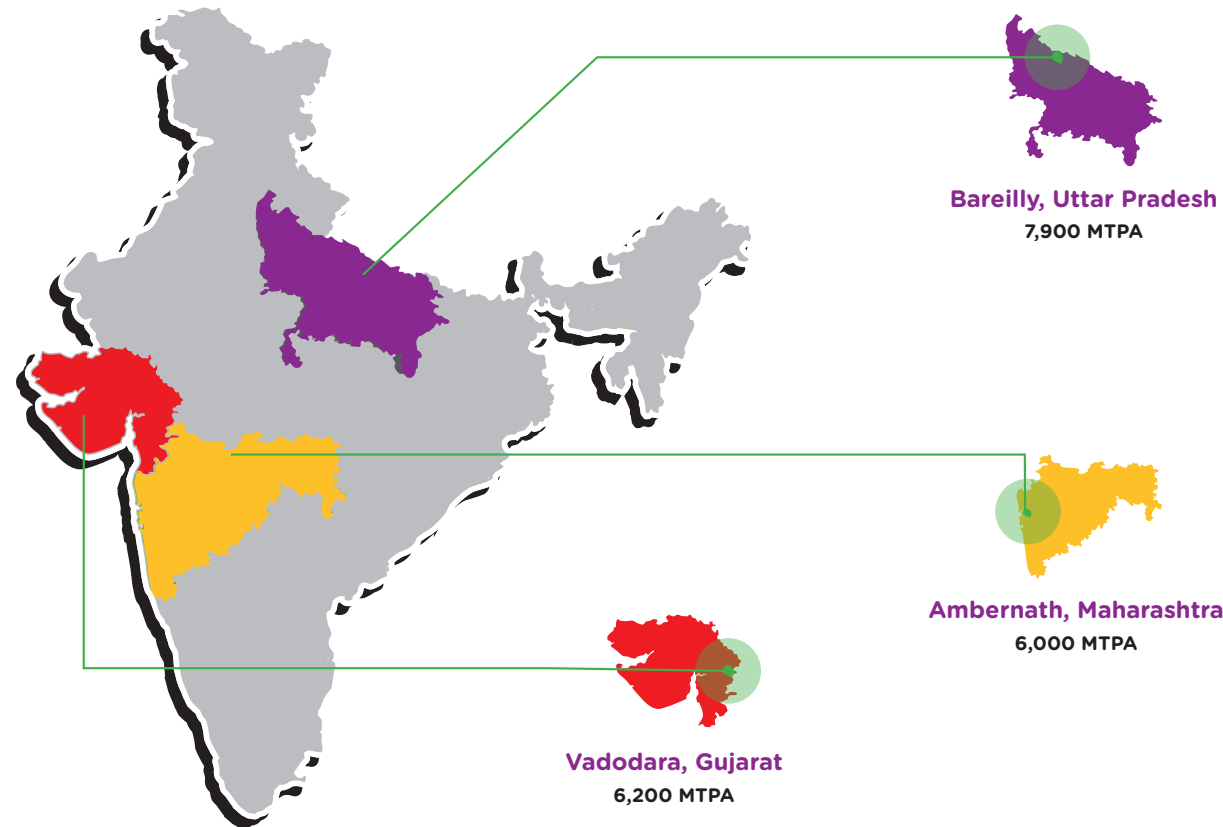
- Audit Committee
- Risk Management Committee
- C Chairman
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- M Member
- Corporate Social Responsibility Committee

# Operational Credibility

## The Oriental Aromatics Way

Oriental Aromatics is committed to maintaining a competitive edge through continuous investments in advanced facilities, cutting-edge technologies and a skilled workforce. Our robust infrastructure allows for faster product development, enabling us to deliver efficient solutions in a timely manner. With integrated operations spanning product conceptualisation to manufacturing aroma ingredients, flavour & fragrance, we have better control over the entire value chain. This seamless integration, coupled with the expertise of our knowledgeable team, empowers us to meet client requirements quickly and cost-effectively. By implementing efficient systems and processes, we ensure smooth operations and sustained supplies across our diverse product lines, including F&F, specialty aroma chemicals, camphor, and terpene chemicals.

### Total Manufacturing Capacity: 20,100 MT



**Disclaimer :**  
This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position.

**Ambernath, Maharashtra**  
6,000 MTPA

- ▶ State-of-the-art manufacturing facility of flavours and fragrance started in 2014
- ▶ This facility also has a state of the art and modern R&D / Quality Assurance infrastructure

**Bareilly, Uttar Pradesh**  
7,900 MTPA

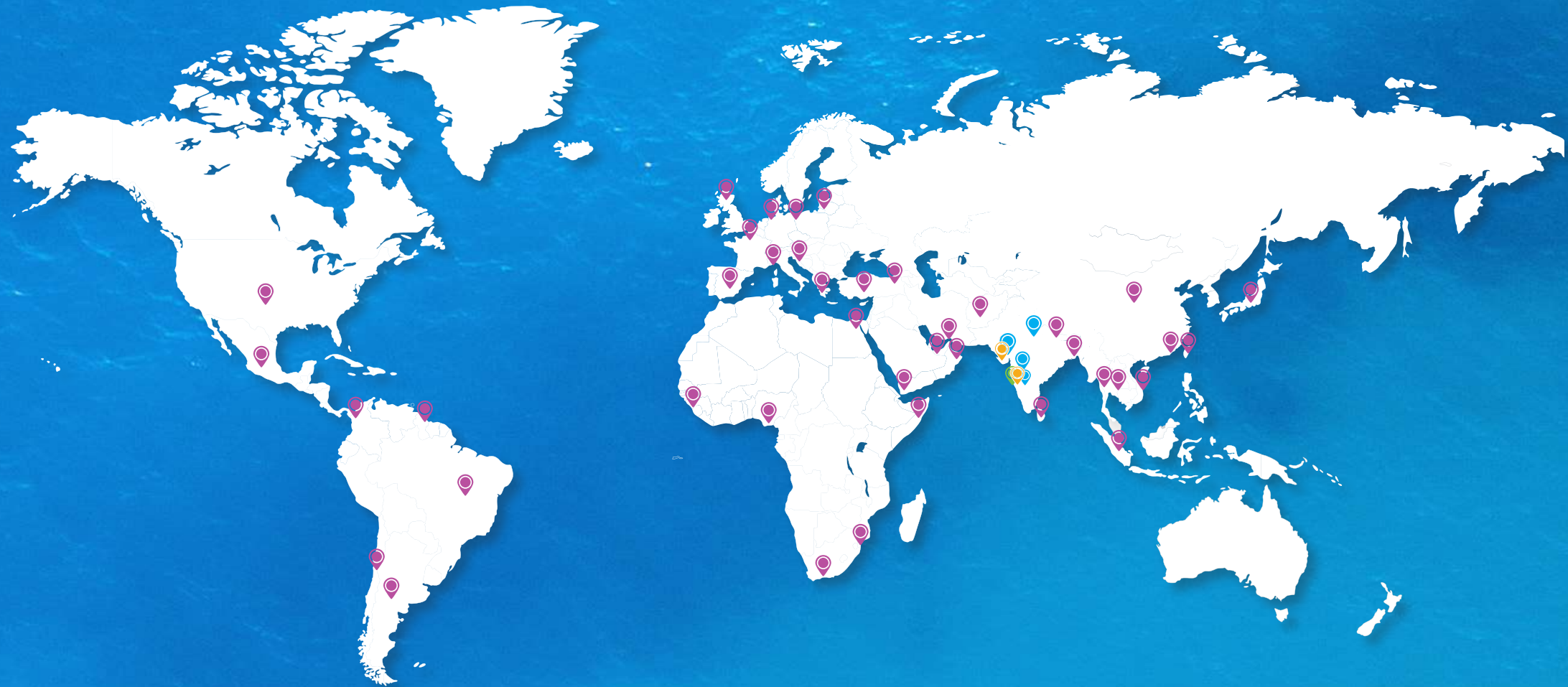
- ▶ First synthetic camphor plant in India with technology from DuPont, USA
- ▶ Pharma Grade accreditation with WHO-GMP and USFDA certifications
- ▶ Product range of Up includes- Synthetic Camphor (all grades), Terpineol, Pine Oils, Isobornyl Acetate, Terpene Resins

**Vadodara, Gujarat**  
6,200 MTPA

- ▶ Set up at Vadodara, Gujarat in 1999; then a new multi-purpose plant facility was added in 2018
- ▶ 75% of the annual production is exported all over the world
- ▶ The plant produces wide range of generic specialty aroma ingredients from Pinene, Petrochem and other raw material sources

# Geographical Presence

From Evolution to Excellence: Ensuring Sustainable Presence across Geographies



**Headquarters**

Mumbai, Maharashtra

**Manufacturing facilities**

Ambarnath, Maharashtra  
 Bareilly, Uttar Pradesh  
 Mahad, Maharashtra - Unit of Oriental Aromatics & Sons Ltd  
 Vadodara, Gujarat

**R&D facilities**

Mumbai, Maharashtra  
 Vadodara, Gujarat

**Exports**

**North America:**  
 Mexico, United States of America  
**South America:**  
 Argentina, Brazil, Chile, Colombia, Suriname

**Europe**  
 Austria, France, Germany, Greece, Netherlands, Poland, Spain, Switzerland, Turkey, UK, Ukraine,

**Africa**  
 Egypt, Eswatini, Nigeria, Sierra Leone, Somalia, South Africa  
**Asia**  
 Bangladesh, China, Hong Kong, Indonesia, Israel, Japan, Myanmar, Nepal, Oman, Pakistan, Singapore, Sri Lanka, Thailand, United Arab Emirates, Vietnam, Yemen

Disclaimer : This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position.

# Investing in Innovation Creativity

## Bringing Aromas to Life

At Oriental Aromatics, creative freedom is highly valued as an essential element of our Company culture.

We believe in nurturing a value-based and research-driven philosophy that empowers our team to explore new technologies and innovations.

By embracing creative freedom, research-driven approaches, and green chemistry, Oriental Aromatics remains at the forefront of delivering innovative solutions while promoting sustainability.

Our R&D centre in Powai, Mumbai, and process re-engineering lab in Vadodara, Gujarat, are both recognised by the Department of Scientific & Industrial Research (DSIR) and serve as incubators for the commercial success of our products.



### DSIR

-Certified  
R&D Centre (Mumbai) & Re-engineering lab (Gujarat)

Together, these facilities have facilitated the commercialisation of over 150 unique aroma ingredients, manufactured using 28 complex chemistries. This underscores our commitment to innovation and the development of diverse and high-quality products in the field of flavours and fragrances.



## 150+

Commercialised Different  
Aroma Ingredients



## 28

Complex Chemistries

At our R&D centre, a highly skilled team of over 25 research associates specialises in various areas such as product development, regulatory compliance, analytical chemistry, and green chemistry. Through their dedication and expertise, we have successfully developed several aroma chemical molecules and scaled them up for commercialisation.



## 25+

Research Associates at R&D Centre

In the Vadodara lab, we conduct high-pressure reactions and utilise lab-scale fractionating columns for separation, resulting in the successful development of innovative Turpentine chemical products. These achievements are a testament to our commitment to research and development, enabling us to bring new and impactful solutions to the market.

With integrated operations spanning from product conceptualisation with our clients to the manufacturing of aroma ingredients, flavours, and fragrances, Oriental Aromatics maintains better control across the entire value chain.

Moreover, our continuous efforts to implement efficient systems and processes have enabled seamless operations, ensuring smooth and effective workflow throughout our operations.



# Success Levers

## Empowering Growth with Oriental Aromatics

At Oriental Aromatics, we understand that success is not achieved by chance, but through the strategic utilization of key levers. With our unwavering commitment to excellence and innovation, we empower growth for our partners and ourselves. Our dedication to research and development ensures that we stay at the forefront of industry trends, enabling us to deliver cutting-edge products.



### Research & Innovation

At Oriental Aromatics, we infuse creativity, passion, and innovation into everything we do to provide our customers with unique and differentiated solutions. Our well-established R&D centres house a creative and passionate team that specializes in developing distinctive combinations of aroma chemicals, flavours, and fragrances.



### Legacy of Experience

Our legacy of experience serves as a strong foundation, guiding us as we continue to innovate and excel in the ever-evolving world of aromatics.



### Relationship Centricity

Oriental Aromatics takes pride in nurturing generational relationships with customers, suppliers, and all stakeholders, fostering trust and long-term partnerships. Our commitment to building enduring connections ensures that we understand and cater to the evolving needs of our valued customers and partners.



### Cost Optimisation

Our key strategy involves a mindful approach to cost management, carefully considering costs and benefits to make financially prudent decisions. We leverage our success in a fiscally responsible manner, maximising value while ensuring sustainable growth.



### Versatile Product Offering

With a strong focus on diversification, we have achieved backward integration and built a wide range of products in our Ingredient Division. Our expertise enables us to compound a diverse selection for the Fragrance and Flavour (F&F) sector, catering to various applications and ensuring versatility in our offerings.



### Strong Track Record

With an emphasis on nurturing generational relationships, we have garnered a strong track record in serving customers in the Fragrance and Flavour (F&F) industry for over three decades. Furthermore, we are proud to be the single-source supplier of camphor to one of the largest consumers in the medicinal group, solidifying our position as a trusted and reliable partner in this segment.



### Robust Supply Chain

With a focus on operational excellence, Oriental Aromatics has built a robust supply chain that ensures efficiency from raw materials to final products. Our efficient supply chain management practices enable a seamless flow throughout the production process, ensuring timely delivery and customer satisfaction.



### Manufacturing Excellence

Our state-of-the-art facilities incorporate modern automation, enabling us to achieve manufacturing excellence. With multiproduct development capabilities, we have the versatility to cater to diverse customer needs, delivering superior products efficiently.



### Deep ESG Focus

We deeply prioritise environmental sustainability, social responsibility, and sound governance practices. Our operations are guided by a strong focus on minimising our environmental impact, fostering positive social contributions, and upholding robust governance standards.



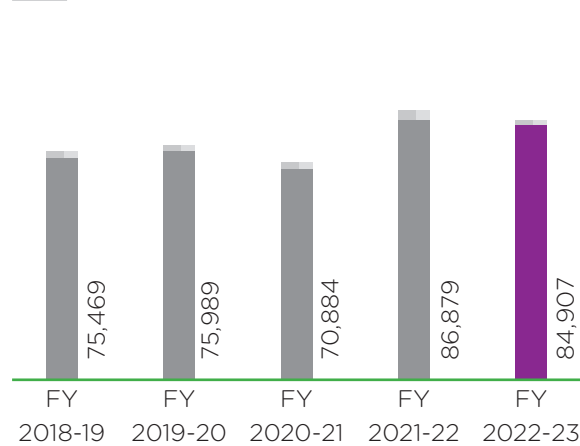
# Financial Performance

## Achieving Financial Strength, Steering Diversification

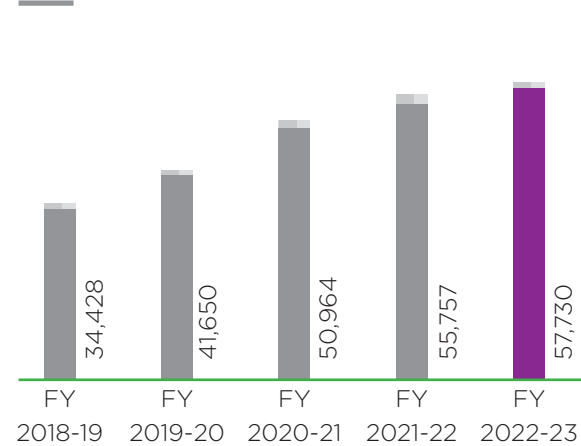


Our performance in the previous year showcased our optimism and ambition to fulfill our organizational goal with holistic growth. The basis of this approach was our preparedness and implementation of smart strategies. Continually seeking opportunities for improvement, we seamlessly integrate them into our long-term growth plans, enabling us to consistently enhance our financial health. By doing so, we strive to provide better returns to our stakeholders, while strengthening our overall outlook.

**Revenue from Operations** (₹ In Lakhs)



**Net Worth** (₹ In Lakhs)

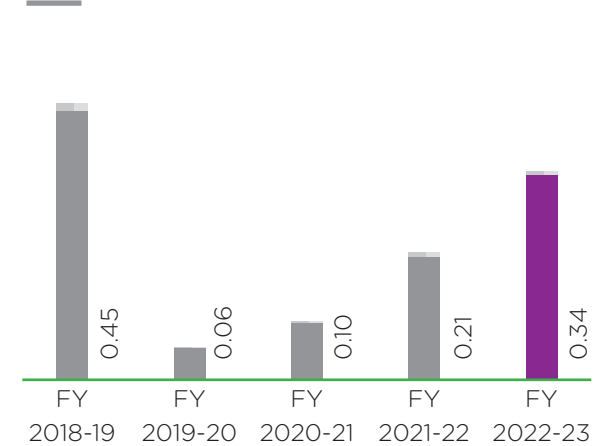


### CAPEX FOR FY 2023-24 AND LONG-TERM PLANS

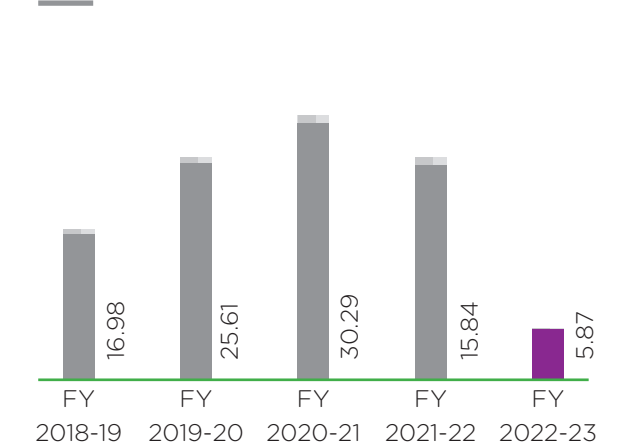
We have a planned capital expenditure of ₹ 3,500 to 4,000 Million for the next 3-5 years.

CapEx Detail	Location	Product	Expected Investment	Expected Year of Commissioning
Hydrogenation plant	Vadodara	Specialty aroma chemicals	₹ 1,300-1,500 Million	H2-FY2024 & H1-FY2025
Mahad capex	Mahad	Aroma chemicals	₹ 1,000-1,200 Million	H2-FY 2024

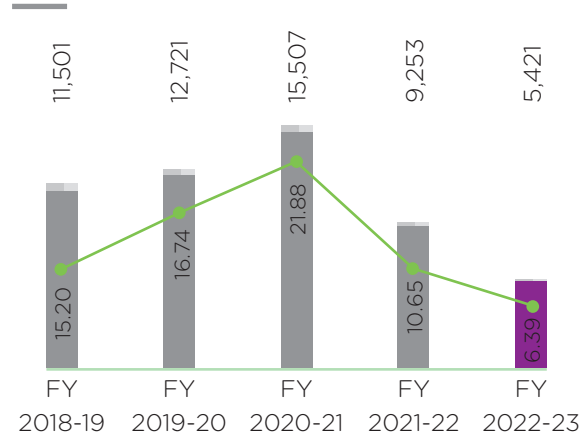
**Net Debt Equity Ratio** (X)



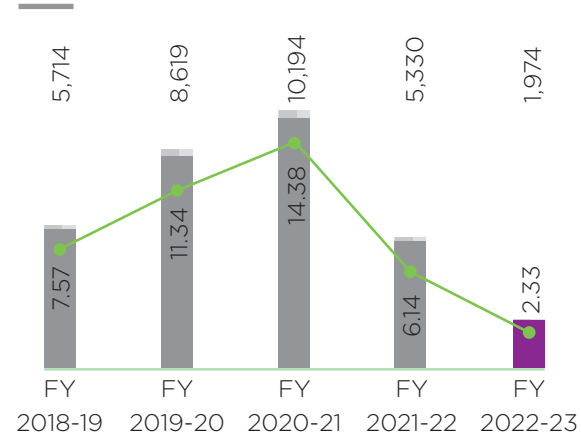
**Earnings Per Share** (₹)



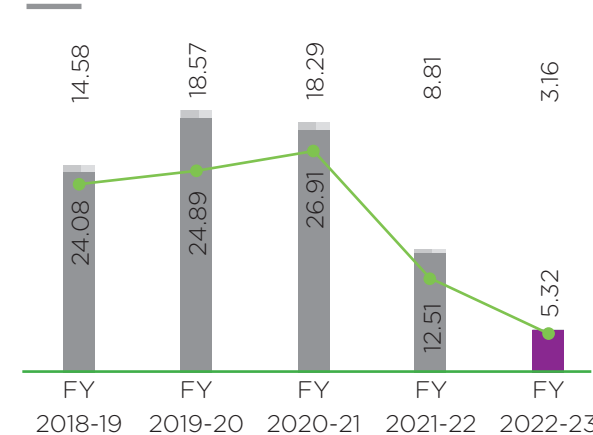
**EBITDA & EBITDA MARGIN** (₹ In Lakhs)



**PAT & PAT MARGIN** (₹ In Lakhs)



**RoE & RoCE** Percentage (%)



EBITDA Margin

PAT Margin

RoCE



# Environmental & Sustainable Practices

## Evolving Excellence: Pioneering Environmental Stewardship

### Initiatives At Oriental Aromatics:

In Bareilly, efforts have been made to improve resource efficiency by replacing light diesel oil with biomass/Wood Chip as an energy source. This switch to renewable energy has resulted in a reduction in greenhouse gas emissions, contributing to a more sustainable environment. Further, the installation of a 75 KLD STP (Sewage Treatment Plant) which is currently under commissioning will be effectively treating and removing pollutants from wastewater, minimizing the impact of effluent discharge.

In Vadodara, steps have been taken to reduce the impact of emissions. The installation of a Scrubber and ESP (Electrostatic Precipitator) has resulted in a significant reduction in air pollutants, enhancing air quality and promoting a healthier environment.

Ambernath has made waste reduction a key priority, aiming to minimize its environmental impact. A sustainable approach has been adopted by reusing packing cardboard in finished product packaging, reducing the need for thermocol, a non-biodegradable material. This initiative contributes to waste reduction and promotes a more environmentally friendly packaging solution.

Overall, these initiatives in Bareilly, Vadodara, and Ambernath highlight a commitment to sustainability and environmental responsibility. By implementing various measures such as renewable energy usage, wastewater treatment, emission control, and waste reduction, these regions are actively working towards a cleaner and greener future.

### ECOVADIS

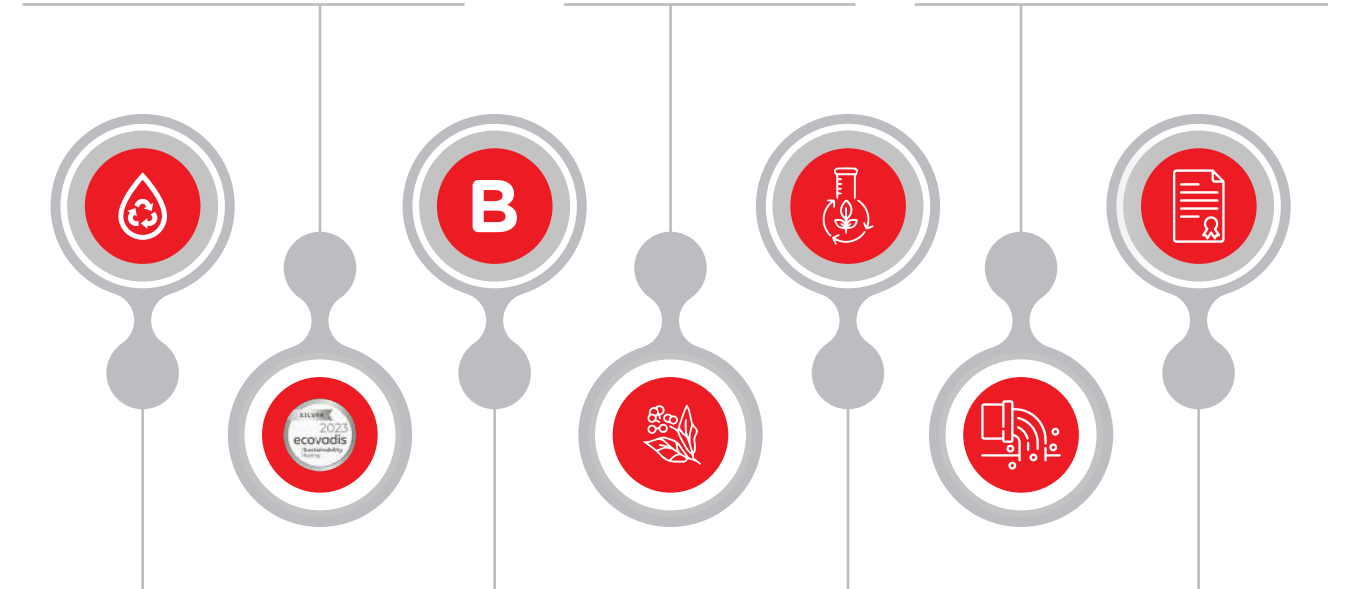
Achieved - Silver Medal  
EcoVadis empowers businesses to manage ESG risk, meet sustainability goals, and drive positive impact by enhancing sustainability performance throughout the value chain

### CEP

Received CEP Certification of Camphor in Sustainability Programme

### Effluent Control

Through effective treatment processes and regular monitoring, we prioritize the reduction of pollutants in our effluent discharge



**Committed to ZLD**  
(Zero Liquid Discharge)  
in the next 2 years for all our plant

**CDP (Carbon disclosure project)**  
Achieved- 'B' (Management band)  
Through benchmarking and peer comparison, companies can advance their environmental stewardship, fostering continuous improvement in climate governance

**Focus on Green Chemistry**  
We are actively working towards enhancing the sustainability profile of our delivery systems, focusing on aspects such as biodegradability, renewable carbon content in finished goods, and minimizing our overall environmental impact

**In process of getting:**  
Supplier Ethical Data Exchange (SEDEX) Certification  
Together for Sustainability (TFS) Certificate  
Science - Based Targets (SBTi)



# Corporate Social Responsibility

## Enabling Communities to Thrive and Flourish

At Oriental Aromatics, we are committed to enabling communities to thrive and flourish by fostering inclusive growth in the areas where we operate. As a socially conscious organisation, our Company prioritises the holistic development of marginalised and underprivileged populations through regular initiatives and investments in their growth, development, and welfare.



### Creating a Brighter Tomorrow through Education

The Keshavlal V. Bodani Education Foundation is an extended arm of our Company and has established the Gateway School of Mumbai in partnership with the Gateway School of New York. The objective of the School is to empower students who face constraints in mainstream educational settings, by developing their skills, knowledge and understanding to become independent and successful individuals who contribute positively to society. The school has also been recognized as an Ashoka Changemaker School since April 2016.

In addition, Oriental Aromatics has undertaken multiple initiatives to support education and improve infrastructure at the Kasturba Gandhi Balika Vidyalaya School near our Bareilly facility in Uttar Pradesh including upgrades to infrastructure, provision of track suits, installation of an inverter battery, supplying a music system, and supporting miscellaneous school work.

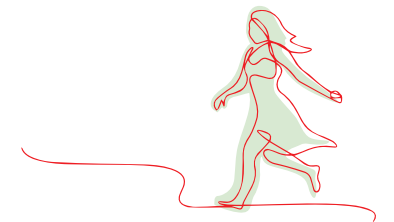
We empowered a total of 113 students from the Gateway School of Mumbai and 100 students from Kasturba Gandhi Balika Vidyalaya School, Bareilly through our interventions, creating positive impacts on their lives.

Oriental Aromatics also actively supported cultural education through initiatives like the "Har Ghar Tiranga Campaign" and participated in the "Azadi ka Amrit Mahotsav" festivities during the celebration of 75 years of Independence. These endeavors aimed to foster a sense of patriotism, unity, and appreciation for Indian culture and heritage.



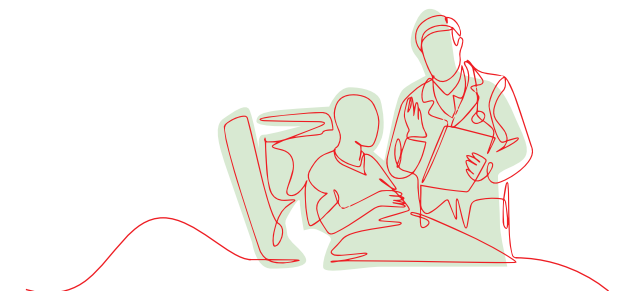
### Empowering Women

In our commitment to empowering women and promoting equality, we donated 10 sewing machines in Nandesari, Vadodara, enabling underserved women to pursue sewing and stitching as a means of livelihood and skill development. Through this initiative, we aim to foster financial independence and empower women from underprivileged backgrounds.



### Healthcare & Sanitation

- During the year, we had the privilege of collaborating with Bal Asha Trust and making a contribution of essential healthcare and sanitation items to support the well-being of 52 orphaned children, ensuring they have access to the necessary resources for a brighter future.
- Our support to the Blind Foundation of India enabled them to provide folding canes to 90 blind individuals, empowering them in their daily lives.
- In Ambarnath, Maharashtra, our collaboration with the Gurukul Foundation facilitated a comprehensive eye check-up camp, benefiting 40 individuals and emphasizing the importance of community well-being.
- In Nandesari, Vadodara, Oriental Aromatics made a valuable contribution by donating an ECG Machine to the Medical Care Centre Trust. This donation enhances their healthcare services, enabling accurate diagnoses and effective treatment for the community.

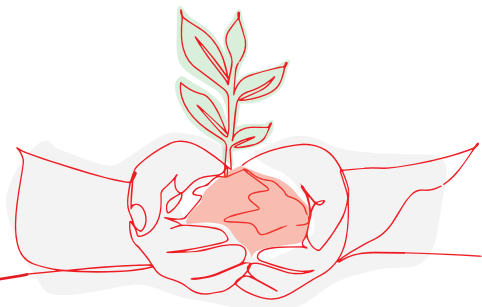


- In Bareilly, Oriental Aromatics organized a health checkup program, providing essential medical services to 120 beneficiaries as part of our Health Care and Sanitation initiative. This initiative aimed to prioritize the well-being of the community and promote access to quality healthcare.
- We recognize the significance of Clean and safe drinking water and to address this, we installed an RO and SS storage water cooler system at the Nandesari Police Station. Additionally, we installed an RO machine at the Zilla Parishad School near our manufacturing facility in Ambernath, ensuring access to clean drinking water for the community.



### Environment Conservation & Sustainable Development Initiatives

- In our belief that youth are the future and have the potential to drive environmental conservation, we collaborated with the youth-led organization "Change is Us" to organize a beach cleaning activity at Girgaon Chowpatty, Mumbai. Our dedicated team of 55 employees joined hands with the organization, collectively collecting 750 kgs of waste, fulfilling our responsibility towards creating positive societal and environmental change.
- Oriental Aromatics actively promoted gardening and tree plantation to enhance and preserve the environment, resulting in a total of 2,910 trees planted across all locations. As part of our CSR initiative, we specifically planted 110 trees in Ambernath. These efforts strengthened our connection with nature, provided stress-relieving activities, and contributed to both mental and environmental well-being.
- To promote sustainable energy solutions and support the local community, Oriental Aromatics donated 2 solar lights to Nandesari Gram Panchayat, recognizing the importance of renewable energy in achieving energy efficiency as a nation.



### Conclude:

Through these initiatives, Oriental Aromatics remains committed to making a positive impact on the lives of individuals and communities, fostering well-being, independence, and access to essential resources.

# STATUTORY REPORTS



# Management Discussion and Analysis

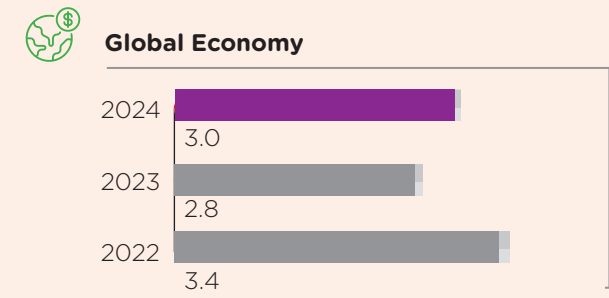
## GLOBAL ECONOMIC OVERVIEW

During Calendar Year(CY) 2023, the global economy reflected resilience in its growth momentum by positioning itself towards a positive outlook. The beginning of CY 2023 saw hindrances, such as inflationary pressure mounting, the ongoing Russia-Ukraine conflict, supply chain disruptions, and increased energy prices. To give a boost to economic activities and curb inflation, the central banks globally raised policy rates. Gradually, with the easing of the supply chain, and reduction in headline inflation following lower energy & food prices, the global economy witnessed a growth rate of 3.4% in CY 2022, as per the International Monetary Fund's April 2023 forecast.

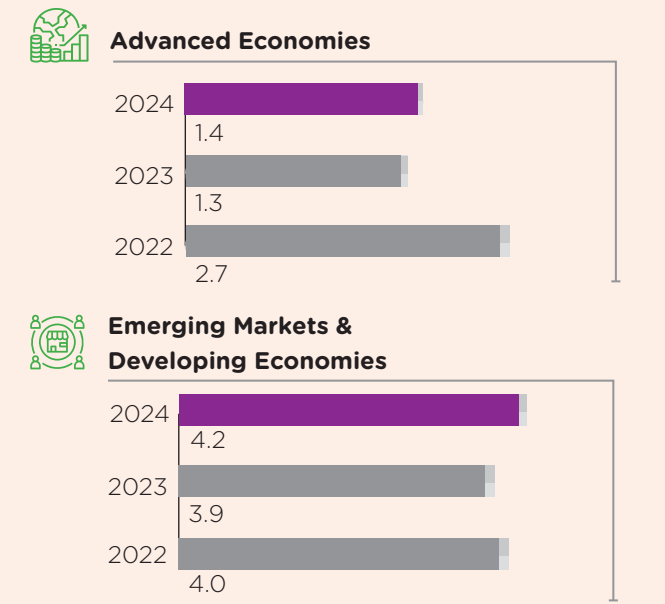
Emerging economies continued to outperform advanced economies and are poised to expand from an estimated 3.9% in CY 2023 and 4.2% in CY 2024. The growth premium for these economies is expected to increase further with a probable economic recovery in the second half of CY 2023. On the other hand, advanced economies are expected to see a drop in growth to 1.3% in 2023, followed by a slight increase to 1.4% in 2024. This slowdown is primarily due to central banks' continued tightening of monetary policy, labour market softening, and persistent disruptions in the European energy market. Moving forward, growth in advanced economies is projected to recover in CY 2024 with easing policy headwinds and gradual stabilisation of energy markets.

Owing to calibrated policy support from nations and the revival of economic activities, inflation is estimated to decline to 7.0% in CY 2023 and 4.9% in CY 2024. Furthermore, the IMF also predicts global growth to reach 2.8% in CY 2023 and gain momentum in CY 2024, reaching a growth rate of 3.0%.

## Global Economic Growth Projections (Region-Wise % Change)



Source  
<https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

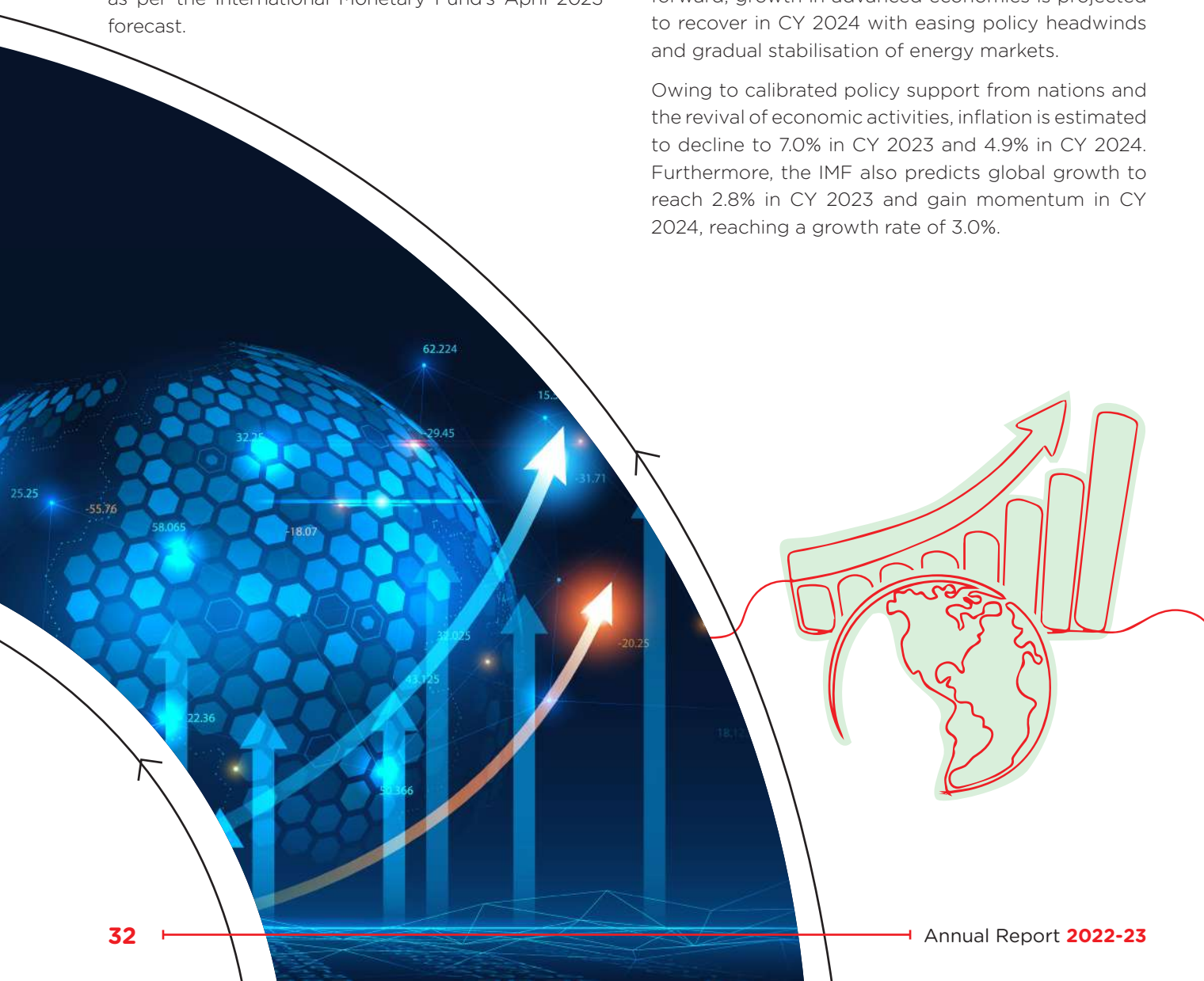


## INDIAN ECONOMIC OVERVIEW

The Indian economy has retained its steady growth and has emerged as one of the fastest-growing economies in the world. Despite global challenges and tighter domestic monetary policies, FY 2022-23 saw India's continued strong growth momentum, underpinned by a key focus on infrastructure development and private sector consumption. According to the National Statistical Office, India's GDP grew 7% in FY 2022-23.

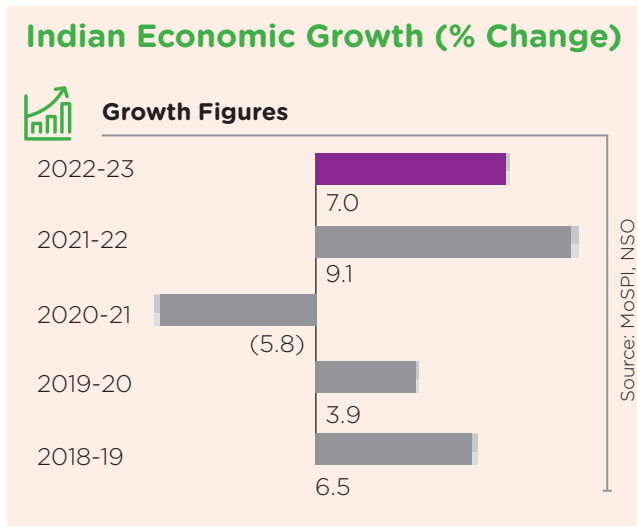
Since the beginning of FY 2022-23, India has been grappling with inflationary pressures, while maintaining a steady growth trajectory. In response, the Reserve Bank of India implemented a series of rate hikes to ease inflationary pressures. The Reserve Bank of India raised the repo rate five times in a row, reaching 6.50% in FY 2022-23. In April, during its first bi-monthly monetary policy for FY 2023-24, the RBI chose to keep the repo rate stable, indicating that inflationary pressure on the economy is slowly decreasing.

Given India's synchronisation with the growth cycles of developed nations, global spillovers, high inflation, and contractionary monetary policies remain causes for concern. As per S&P Global Ratings, India's economic growth is expected to persist on a strong



foundation, with a projected growth rate of 6% in FY 2023-24. This will be driven by the Government's policy support, increased infrastructure spending, and emphasis on self-reliance, or Atmanirbhar Bharat. Thus, shaping its positive long-term economic prospects.

Source  
<https://pib.gov.in/PressReleasePage.aspx?PRID=1903091>  
<https://www.thehindu.com/business/Economy/expecting-slowdown-in-indian-economy-to-61-in-2023-from-68-in-2022-says-imf/article66452776.ece>  
<https://www.hindustantimes.com/india-news/retail-inflation-shoots-up-to-3-month-high-of-6-5-in-jan-as-food-prices-bite-101676312602815.html>



## GLOBAL CHEMICAL INDUSTRY

The global chemical market successfully overcame the challenges it faced in CY 2022 and is now poised to lead the industry's transformation in the coming years. In CY 2023, the market grew to USD 5,079.29 Billion from USD 4,700.13 Billion in CY 2022, representing a CAGR of 8.1%. The growth was positively impacted by low-interest rates in most developed countries, facilitating investments in process improvements.

However, the industry is facing challenges in chemical value chains worldwide. Europe is experiencing supply-driven inflation, while North America is experiencing a demand-driven downturn due to a decrease in consumer sentiment and willingness to spend. As a result, the industry is re-evaluating its geographical presence to ensure future competitiveness. In recent years, production has shifted towards Asia, particularly China, owing to lower labour and energy costs, coupled with high demand growth from customer industries in the region.

The chemical market is expected to continue growing and reach USD 6,851.59 Billion in 2027, with a CAGR of 7.8%. The adoption of sustainable and eco-friendly processes is a crucial aspect of the chemical industry's growth and development. Advances in technology and chemical sciences enable the chemical industry to utilise alternative fuels to produce chemical products. This shift towards sustainable practices not only benefits the environment but also ensures industry's long-term

growth and profitability. As consumers become more environmentally conscious, demand for sustainable products and production processes is anticipated to rise, making sustainability a key factor in the global chemical industry's future prosperity.

Source  
<https://www.globenewswire.com/news-release/2023/04/21/2652045/0/en/Chemicals-Global-Market-Report-2023.html>  
<https://www.oliverwyman.com/our-expertise/insights/2023/jan/chemical-industry-outlook-for-2023-and-beyond.html>



## Global Specialty Chemical Industry

Specialty chemicals are a diverse range of chemical products that are designed for specific applications and used across various industries, including automotive, construction, food & beverage, pharmaceuticals, and textiles, among others. These chemicals are typically produced in small quantities with unique formulations and have high value-added properties that provide specific benefits to end-users. The global specialty chemicals market was valued at US\$ 738.23 billion in 2022 and it is estimated to grow to US\$ 998.94

billion by 2028 with 5% CAGR during 2023-2028. This market constantly evolves due to changing consumer demands, technological advancements, and shifting regulatory landscapes. Moreover, the specialty chemical market is experiencing significant growth in several regions, especially in the Asia-Pacific region, due to strong demand from end-user industries and investments in research and development (R&D).

Source  
<https://www.businesswire.com/news/home/20230518005615/en/Global-Specialty-Chemicals-Market-Report-2023-A-738.23-Billion-Market-in-2022---Forecasts-to-2028---Rising-Demand-For-Sustainable-Specialty-Chemicals-High-Performance-Materials---ResearchAndMarkets.com>

### Key Trends

#### Sustainability

The specialty chemical industry is responding to environmental concerns by investing in sustainable R&D, focussing on developing bio-based chemicals and renewable energy sources as alternatives to traditional products.

#### Digitalisation

The specialty chemical industry is undergoing a transition by digital technologies, such as artificial intelligence, machine learning, and big data analytics. Companies are using these technologies to improve efficiency, reduce costs, and enhance product performance.

#### Industry 4.0

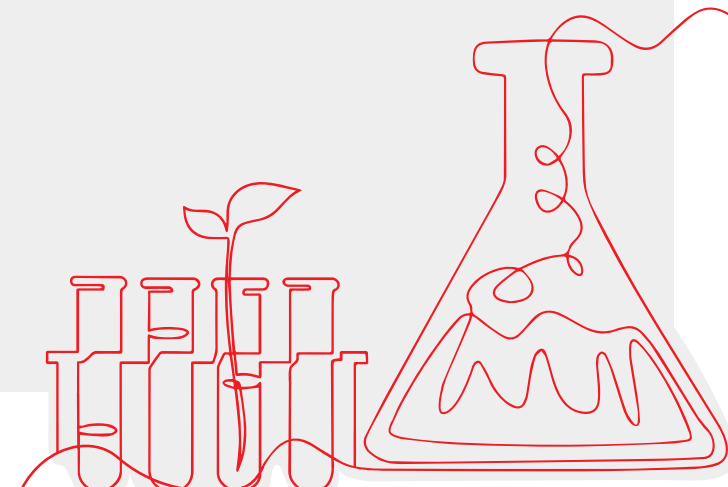
The integration of digital technologies with traditional manufacturing processes, known as Industry 4.0, is enabling specialty chemical companies to improve product quality, increase efficiency, and lower expenses. Technologies, such as Internet of Things (IoT), automation, and robotics are being leveraged for these objectives.

#### Personalisation

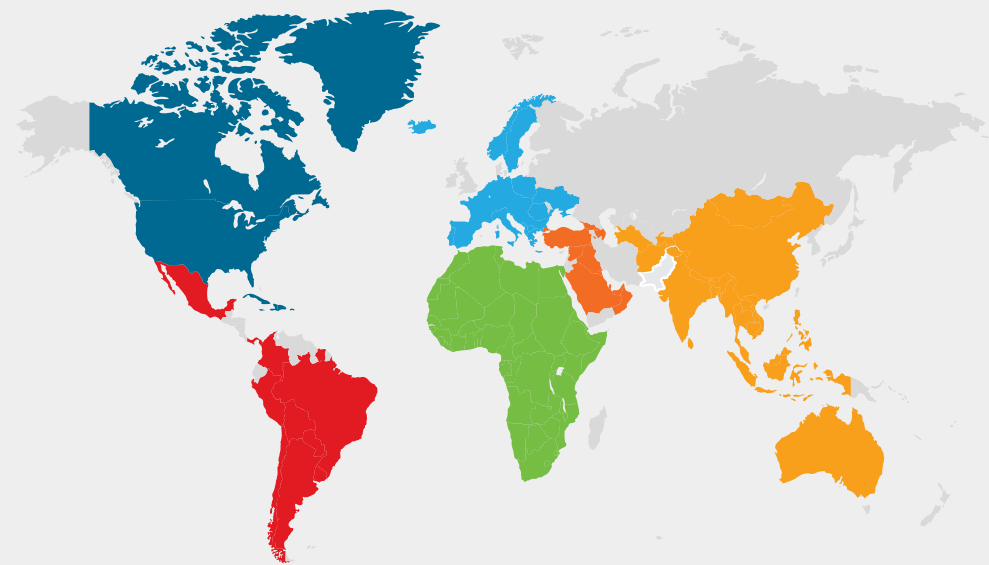
Consumer demand for personalised products is driving the development of specialty chemicals that can be tailored to individual needs and preferences. For example, specialty chemicals are being customised for specific skin types, hair types, or dietary needs.

#### Health and Wellness

Specialty chemicals are being formulated to improve the safety and efficacy of pharmaceuticals and medical devices, while also providing functional benefits, such as improving digestion, reducing inflammation, or boosting immunity. The growing focus on health and wellness is fuelling the demand for such products.



Regional Highlights



01 North America

The presence of established chemical manufacturers and strong demand from end-user industries, such as automotive, construction, and electronics make North America a mature market for specialty chemicals. Foreign and domestic specialty chemical manufacturers operating in the region are set to enjoy lucrative business prospects due to the soaring demand for novel chemicals for construction activities in the US and Canada.

04 Middle East and Africa

The Middle East and Africa are emerging markets for specialty chemicals, driven by significant investments in infrastructure development and increasing demand from end-user industries, such as construction, automotive, oil and gas. The growth of the pharmaceutical industry is also propelling demand for specialty chemicals in the region.

02 SOUTH AMERICA

Latin America is a growing market for specialty chemicals, driven by increasing industrialisation and urbanisation in the region. Growth in end-user industries, such as construction, automotive, and agriculture is fuelling demand for specialty chemicals.

03 Europe

Europe is another mature market for specialty chemicals, with a strong presence of chemical manufacturers and significant investments in R&D. The adoption of sustainable chemical compounds for water treatment applications is expected to accelerate the growth of the regional market.

05 Asia-Pacific

The Asia-Pacific region is the largest and fastest-growing market for specialty chemicals, driven by the region's strong manufacturing base and growing industrialisation. Additionally, the presence of small and medium enterprises in the chemical industry in India is expected to contribute to regional market growth. In 2020, the Asia-Pacific region's market size stood at USD 291.2 Billion.

Source  
<https://www.globenewswire.com/en/news-release/2023/04/13/2645878/0/en/With-4-7-CAGR-Specialty-Chemicals-Market-to-Worth-882-6-Bn-by-2028-Fortune-Business-Insights.html>

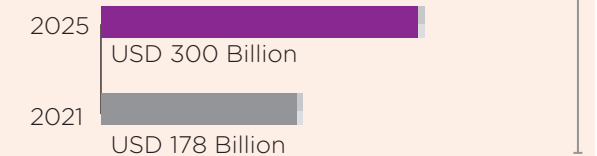


INDIAN CHEMICAL INDUSTRY

India's rapid economic growth, expanding middle-class, and lower operational costs make it a potential consumption and manufacturing engine for the global chemical industry. As a significant player in the global chemical industry, India ranks 11<sup>th</sup> in exports and 6<sup>th</sup> in imports worldwide (excluding pharmaceuticals). The country's chemical manufacturing industry is highly diversified, covering more than 80,000 commercial products, which is essential for modern manufacturing industries ranging from soaps to automobiles.

According to the Ministry of Petroleum and Natural Gases, the market size of the Indian chemicals and petrochemicals sector is currently US\$ 190 Billion. The sector is expected to witness a great demand and impacted by the evolving consumer preference to reach the valuation of US\$ 1 Trillion by 2040. The chemical industry contributed 7% to India's GDP in FY 2022-23 and accounted for approximately 14% of the overall Index of Industrial Production (IIP). The Index of Industrial Production of Chemical & Chemical products achieved a record of 137.2 in July 2022, surpassing the lowest value of 109.1 recorded in May 2021.

India's Chemicals & Petrochemicals Sector's Market Size (USD Billion)



Source  
 Chemical companies in India grows by leaps and bounds, Livemint, June 2022

The Indian Government recognises the chemical industry as a key growth element and aims to increase its share to ~25% of the GDP in the manufacturing sector by 2025. To achieve this, the Government has undertaken various steps:

- ▶ Mandating Bureau of Indian Standards (BIS) like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country

Allocated ₹ 173.45 Crore (USD 20.93 Million) to the Department of Chemicals and Petrochemicals in the Union Budget 2023-24 to enhance the production capacity of Indian chemical companies and encourage exports of specialty chemicals in the global market

Allocated incentives worth ₹ 6,238 Crores (USD 832 Million) for the chemical sector under Product Linked Incentive scheme, which aims to enhance the competitiveness of domestic manufacturing and reduce import dependence

Introduced PLI Schemes to promote Bulk Drug Parks, with a budget of ₹ 1,629 Crores (USD 213.81 Million)

Unveiled 2034 vision for the chemicals and petrochemicals sector to explore opportunities to improve domestic production, reduce imports, and attract investments in the sector

India is forecasted to account for over 20% of the world's incremental chemical consumption in the next two decades, with domestic demand expected to reach USD 850 Billion to USD 1,000 Billion by 2040. Furthermore, as one of the leading producers of many chemicals used in bio-friendly products, India is well-positioned to benefit from the growing global demand for such products. Despite challenges, such as rising crude oil prices and inflation and supply chain disruptions, the Indian chemical industry has shown resilience. The Government's 'Make in India' campaign and the Production Linked Incentive Scheme (PLI) are anticipated to significantly boost the industry's growth. Owing to supply chain disruptions in China, the Indian chemical manufacturing industry has witnessed a surge in opportunities. Moreover, the implementation of anti-pollution measures in China is likely to further bolster the prospects of Indian chemical manufacturers. Notably, the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy is projected to attract a staggering investment of USD 280 Billion by the year 2035.

### Indian Specialty Chemical Industry

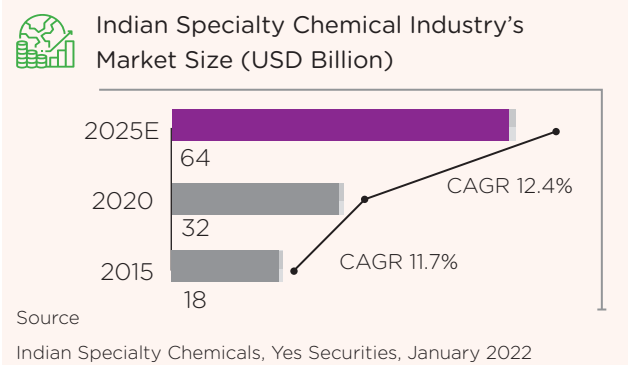
The Indian specialty chemical industry has seen exponential growth in recent years, with the specialty chemical segment being one of the fastest-growing segments in the Indian chemical sector. This growth can be attributed to various factors, such as increased demand from end-user sectors, favourable Government

Source  
<https://www.mckinsey.com/industries/chemicals/our-insights/india-the-next-chemicals-manufacturing-hub>  
<https://www.ibef.org/industry/chemical-industry-india>  
<https://www.indianchemicalnews.com/policy/budget-2023-24-industry-hails-change-in-customs-duty-structure-and-green-initiatives-16271>  
<https://www.livemint.com/companies/news/acme-group-and-igl-partner-for-green-hydrogen-opportunities-in-new-delhi-india-s-energy-sector-11683283074133.html>

policies, and a growing domestic customer base. India's specialty & fine chemicals market size was valued at US\$ 46.66 Billion in 2022 and is projected to register a CAGR of 9.3% from 2023 to 2030.

Source

<https://www.grandviewresearch.com/industry-analysis/india-specialty-fine-chemicals-market-report>



Specialty chemicals contribute to more than 50% of chemical exports, and the adoption of the 'China plus one' strategy is expected to draw chemical manufacturers to expand their production capabilities in India. Furthermore, plant closures in Europe provide a 'Europe plus one' opportunity for Indian chemical players, who are considering significant capex plans to gain market share. With relaxed Covid-19 pandemic norms and China opening up, the optimism around both the 'China plus one' and 'Europe plus one' opportunities is a significant factor driving higher demand for Indian manufacturers.

All sub-segments of the specialty chemical sector have undertaken significant capex in the past three fiscal years, with a similar size of capex currently underway and expected to be completed by the end of FY 2023-24. The next phase of growth is anticipated to occur post-completion and stabilisation of this capex. The specialty chemical segment is the strongest pillar of India's chemical sector, with various segments being driven by rising demand from end-user industries, such as food processing, personal care, and home care. The Indian market for specialty chemicals is projected to reach USD 64 Billion by 2025, accounting for 20% of the global chemical industry, with demand growth from export/end-user industries likely to drive this increase.

## GLOBAL FLAVOURS & FRAGRANCES INDUSTRY

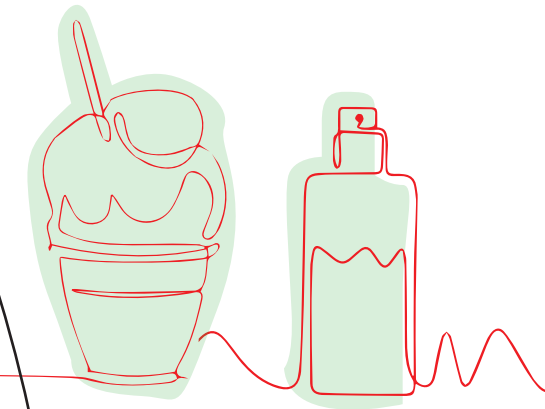
The global flavours and fragrances market was valued at USD 29.15 Billion in 2022 and is expected to register a CAGR of 5.4% from CY 2023 to 2030. The key growth drivers for this market include increasing demand from application industries, such as food, beverages, perfumery, cosmetics, and toiletries, rising disposable income in emerging economies, and the busy lifestyle pattern upheld in developing and developed countries.

The Asia-Pacific region dominated the global industry in FY 2022-23 and accounted for the highest share of more than 31.40% of the overall revenue. This is attributed to the shift in consumer choices towards nutritional and healthy foods and beverages in most

populated countries like India and China. Multiple manufacturing companies are focussing on expanding their businesses and investments in R&D facilities in the Asia-Pacific region. Indonesia, India, China, and Vietnam are among the prominent food flavour markets in the Asia-Pacific region. Asian flavours and fragrances have also gained popularity in the major regions of Europe and North America.

### GROWTH DRIVERS

- Rising demand and consumption of processed food and personal care & cosmetic products globally
- Increasing demand for health and wellness foods, Ready-to-Eat (RTE), and convenience meals
- New fragrances coming into the market, from exotic to mild, are getting popular amongst the youth
- Expanding restaurant businesses are adopting new flavours for their food items
- Shift in perfume trends and increased demand for natural flavours
- Small and medium-sized FMCG businesses promoting the growth of local flavours and fragrances
- Increasing penetration of digitisation in the retail sector



▷ Dynamic food trends, along with the rising disposable income of end-users, are pushing the adoption of luxury items

▷ Increased demand for car fragrance with the rise in the number of vehicles

The global flavours and fragrances market size was valued at USD 29.15 billion in 2022 and is anticipated to register a CAGR of 5.4% from 2023 to 2030. The high penetration of Westernised eating practices and increased convenience food businesses make the Asia-Pacific region a commanding region in the global F&F market. With its emerging economies, such as China and India, the Asia-Pacific region significantly contributes to the fast-moving consumer goods (FMCG) and ready-to-eat meals markets. Herein,

establishing new manufacturing units with local twists is anticipated to fuel regional growth. Additionally, the increasing per capita income, growing fast-food industry, and entry of international brands in the taste and smell sector to develop new bases for the market are projected to drive growth.

Source

<https://www.grandviewresearch.com/industry-analysis/flavors-fragrances-market#:text=How%20big%20is%20the%20flavors,USD%2030.61%20billion%20in%202023>.

<https://www.fortunebusinessinsights.com/flavors-and-fragrances-market-102329> ; <https://www.futuremarketinsights.com/reports/flavors-and-fragrances-market>

## INDIAN FLAVOUR & FRAGRANCE INDUSTRY

India has a rich history of using flavours and fragrances for therapeutic and aesthetic purposes. With the advent of technology, the flavour and fragrance industry in India has undergone significant changes in recent years. Today, India has one of the largest flavour and fragrance industries in the world, with abundant opportunities for new entrants.

### Flavour

The Indian flavour market is a key market segment that refers to additive compounds used to enhance the taste and smell of various products. Flavours can be categorised into nature-identical, artificial, and natural variants, which are extensively utilised in food and non-food applications, such as personal care products, cosmetics, pet food, and animal feed. The market size of the Indian flavour industry was ₹ 3,922 Crores in 2022 and is expected to reach ₹ 6,435 Crores by CY 2028, exhibiting a growth rate of 8.7% during CY 2023-2028.

### Growth Drivers

▷ Expanding food processing industry and demand for packaged, ready-to-eat food items and beverages



▷ Increasing utilisation of flavouring ingredients in bakery and confectionery items, ice-creams, smoothies, and energy drinks, among others

▷ Elevating levels of urbanisation and increasing penetration of numerous western food trends

▷ Growing popularity of processed and shelf-stable food products, such as noodles, soups, cake mix, RTD tea and coffee, and juices, among others

▷ Introduction of several stringent norms by the Food Safety and Standards Authority of India (FSSAI) regarding the quality of flavours used in processed food products

▷ Increasing number of quick-service restaurants (QSRs) and the emerging café culture

▷ Rising consumer concerns about the negative health impact of chemical-based flavouring agents

▷ Emergence of various healthier product variants, including vegan and organic flavours, that contain 100% plant-based derivatives

### Fragrance

India's fragrances and perfumes market size is expected register CAGR of 22.4% between 2023 and 2029. The market's growth is being propelled by a range of factors, including an increasing demand from the millennial population, rising celebrity endorsements through social media, and a growing focus on personal grooming. In addition, an emerging trend that is expected to drive market growth is the high adoption of natural, customised, and unisex perfumes in India. Several businesses are offering

their customers the opportunity to design their own signature perfumes, with some even encouraging customers to mix their own scents based on their preferences. Furthermore, the market is no longer bound by gender norms, leading to a surge in the popularity of unisex fragrances. These factors are predicted to contribute significantly to the expansion of the perfume market in India during the forecast period.

Source

<https://www.blueweaveconsulting.com/report/india-fragrances-and-perfumes-market>

### Growth Drivers

▷ The increasing focus on personal grooming, which includes the use of fragrances, is a major driving factor for the growth of the perfume market in India

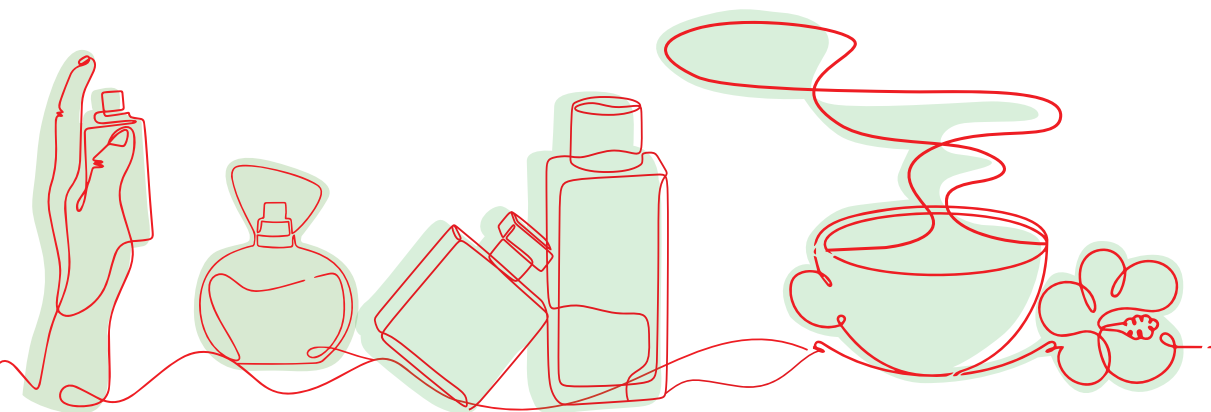
▷ Personal grooming is not only important for projecting a positive image to others but also for developing a positive self-image, enhancing confidence, and helping individuals progress in their careers

▷ Fragrances play a crucial role in the process of personal grooming, leading to increase in demand for perfumes in India

Source

<https://www.prnewswire.com/news-releases/perfume-market-size-in-india-to-grow-by-usd-1-328-31-million-from-2022-to-2027--driven-by-the-replenishing-personal-grooming---technavio-301797120.html>

<https://www.imarcgroup.com/india-flavors-market#:text=The%20India%20flavors%20market%20was,8.7%25%20during%202023%2D2028>



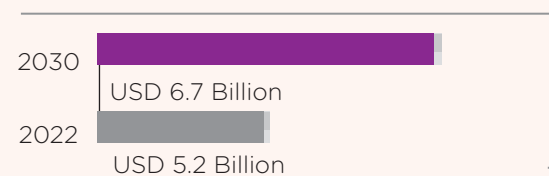


## AROMA CHEMICAL INDUSTRY

Aroma chemicals are chemical compounds that are volatile in nature and are used in the production of perfumes, flavours, and other related products. They can be derived from natural sources, such as plants and animals, or they can be synthesised in a laboratory. Aroma chemicals find their applications in various industries, including cosmetics, food & beverage, cleaning and personal care products.

The global aroma chemicals market is projected to register a CAGR of 3.2% from CY 2022 to CY 2030, with a market size estimated at USD 5.2 Billion in CY 2022, and expected to reach USD 6.7 Billion by CY 2030. The market's growth is driven by various factors, including rising demand for organic and natural ingredients, growing consumer preference for non-toxic fragrances, and increasing consumption of flavours and fragrances in end-user industries.

Global Market for Aroma Chemicals (CAGR of 3.2% from 2022-2030)



Source  
Research and Market reports

### Growth Drivers

▶ **Increasing Demand for Organic and Natural Fragrances:** The demand for organic and natural fragrances is increasing due to rising consumer

awareness of the harmful effects of synthetic chemicals. Aroma chemicals derived from natural sources are considered safer, healthier, and more environmentally friendly, driving the growth of the aroma chemicals market.

▶ **Growing Consumer Preference for Non-Toxic Fragrances:** Consumers are increasingly choosing fragrances that are free from allergens, toxins, and harmful chemicals. The use of aroma chemicals derived from natural sources that are non-toxic and non-allergenic is growing, driving the growth of the aroma chemicals market.

▶ **Rising Consumption of Flavour & Fragrance in End-User Industries:** Aroma chemicals are used in the production of various end-user products, such as cosmetics, toiletries, and food & beverage. The increasing demand for these products is driving the growth of the aroma chemicals market.

▶ **Increasing Demand for Low-Calorie Drinks:** The demand for low-calorie drinks is growing due to rising health consciousness among consumers. Aroma chemicals are used in the production of low-calorie drinks, which is driving the growth of the aroma chemicals market.

▶ **Expansion of the Travel and Tourism Sector:** The expansion of the travel and tourism sector is driving the growth of the aroma chemical market, as hotels, restaurants, cafes, and bars are increasingly using aroma chemicals in their products to enhance the overall experience of their customers.

Source

[https://www.researchandmarkets.com/reports/5029852/aroma-chemicals-global-strategic-business-report?utm\\_code=mzrapuaz2&utm\\_ss=46&utm\\_exec=adke277mtd](https://www.researchandmarkets.com/reports/5029852/aroma-chemicals-global-strategic-business-report?utm_code=mzrapuaz2&utm_ss=46&utm_exec=adke277mtd)

<https://www.imarcgroup.com/aroma-chemicals-market>

<https://www.grandviewresearch.com/industry-analysis/aroma-chemicals-market>

▶ **Growing Investments in R&D Activities:** Leading players in the aroma chemicals market are investing in research and development activities to develop innovative products with smart pricing strategies. These investments are expected to further drive the growth of the aroma chemicals market.

## GLOBAL CAMPHOR MARKET

Camphor, a natural product extracted from the wood of camphor trees, has numerous applications due to its anti-bacterial, anti-fungal, and anti-inflammatory properties. It is a colourless and fragrant flammable compound that sublimates easily, predominantly extracted from the camphor tree, a large evergreen tree native to Asia, although it can also be synthesised from turpentine oil derived from Rosine. Synthetic camphor, derived from turpentine oil, is also available in the form of powder, tablets and blocks for various purposes. Over the years, camphor tablets have gained popularity for their medicinal properties and religious and household activities.

The global camphor market size is projected to reach around USD 500 Million by 2027, registering a CAGR of 5.5% during 2022-2027. The growing use of camphor in various applications, such as medicine, agriculture, and food, is driving market growth. Camphor tablets are widely used in the pharmaceutical industry for the treatment of cough, congestion, skin infections, and pain relief. In the Asia-Pacific region, camphor tablets are also used for religious rituals, which further boosts market growth. Camphor is used as a repellent in agriculture and household activities to keep away insects and reptiles. Additionally, the beneficial properties of camphor make it a popular ingredient in skincare and hair care products.

The global camphor tablets market is expected to reach USD 261.6 Million by 2030, clocking a CAGR of 7.6% during the forecast period 2022-2030. The pharmaceutical industry is the largest consumer of camphor tablets, followed by the agriculture and

food industries. The growing demand for camphor tablets in medicine and household activities and the increasing use of camphor in skin care and hair care products are anticipated to drive market growth in the coming years.

Source

<https://www.businesswire.com/news/home/20230131005674/en/The-Worldwide-Camphor-Tablets-Industry-is-Expected-to-Reach-261-Million-by-2030---ResearchAndMarkets.com>





## INDIAN CAMPHOR INDUSTRY

India is the second-largest importer of camphor in the world, primarily sourcing the product from China, Germany, and the United Kingdom. Natural camphor is derived from the wood of camphor trees that are mainly found in Japan, Taiwan, and Vietnam, while synthetic camphor is produced from pine trees, making it more cost-effective and scalable. Despite India's ample supply of pine trees, its output only accounts for 17%, compared to 80% from imported sources. This explains the need for turpentine imports by camphor companies.

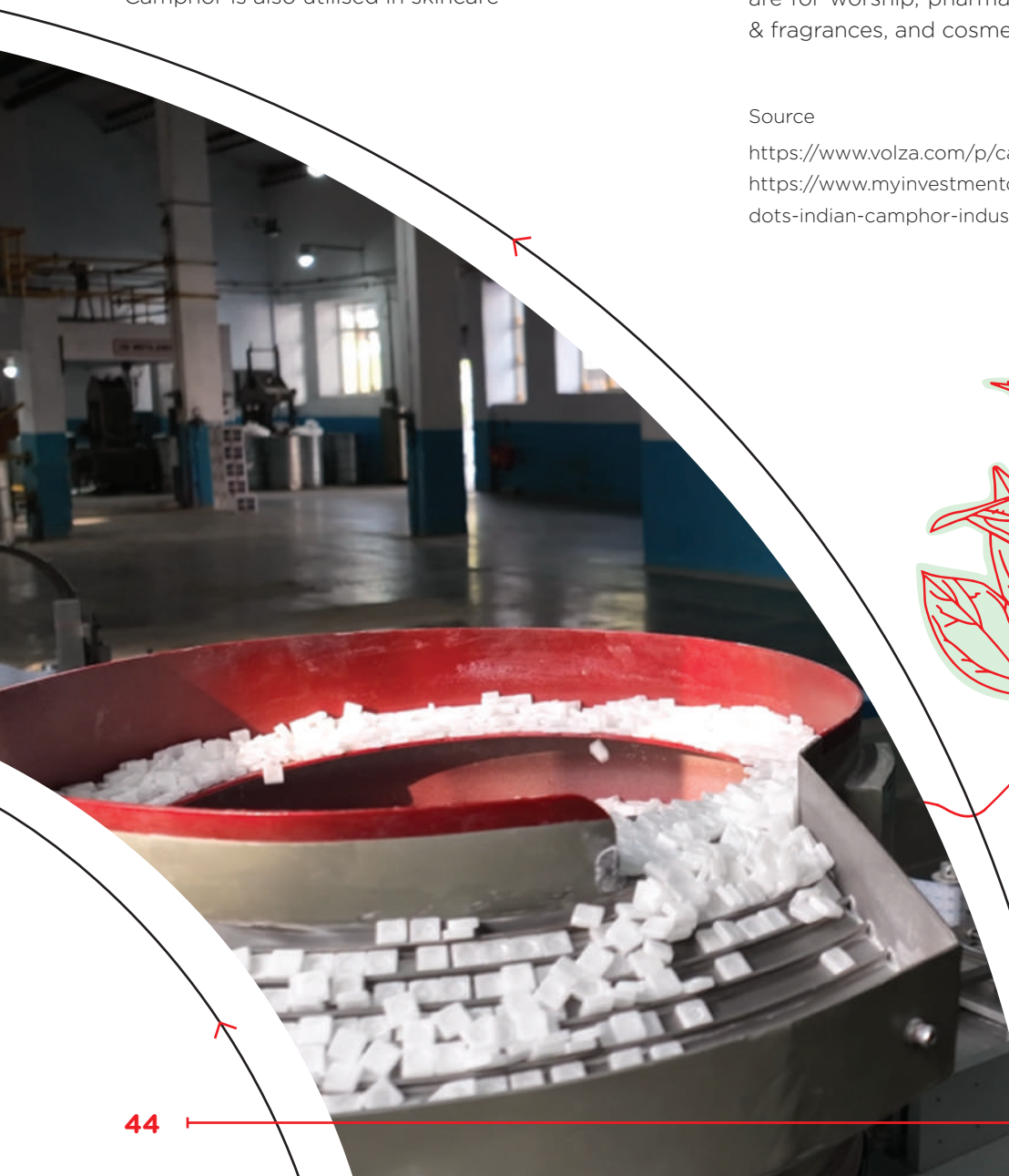
The camphor market in India is growing due to the increasing use of camphor in natural products, medical applications, religious rituals, and agriculture. Camphor is also utilised in skincare

products to reduce acne and pimples. The pharmaceutical industry is a major consumer of camphor tablets, which are used to alleviate pain, swelling, congestion, and coughs. In agriculture, camphor tablets are applied as a repellent to ward off insects and reptiles. The use of camphor in religious rituals in India has also contributed to the growth of the market.

The camphor market in India is highly competitive, with numerous smaller players in the industry. Synthetic camphor, which is more affordable and widely available, has a higher demand than natural camphor, which is at least three times more expensive. The primary end-users of camphor in India are for worship, pharmaceuticals, tire, paint, flavours & fragrances, and cosmetics.

Source

<https://www.volza.com/p/camphor/import/import-in-india/>  
<https://www.myinvestmentdiary.com/post/connecting-the-dots-indian-camphor-industry>



## COMPANY OVERVIEW

With decades of experience in the flavour & fragrance, camphor, terpene chemicals, and specialty aroma chemical industry ingredient industry, Oriental Aromatics has evolved into one of the few fully integrated players in the global flavour & fragrance industry. It is one of the largest domestic manufacturers of a variety of terpene chemicals, camphor, and specialty aroma chemicals.

Creativity, passion, and innovation are at the core of the Company culture, aimed at creating differentiated solutions to enhance the consumer experience. Its product portfolio includes synthetic camphor, terpineol, pine oils, astromusk, other specialty aroma chemicals, and several other chemicals used in different industries, including flavour & fragrance, pharmaceuticals, soaps & cosmetics, and paints & varnishes, among others.

The flavours and fragrances created by the Company find application in several day-to-day products of

reputed FMCG brands in different categories like fine fragrances, personal hygiene, home care, beauty, and cosmetics. Herein, it has a strong domestic presence and exports to several countries in Asia, Europe, Africa, and North and South America. Its well-established R&D centres and manufacturing facilities in India enable it to create unique combinations of specialty aroma chemicals along with flavours and fragrances. The Company's products are sold to 1,000-1,200 customers across 40 countries worldwide.





## Manufacturing

As a pioneer in Indian terpene chemistry, the Company set up the first camphor plant in India (Bareilly, UP) in 1964 with technology licenced from DuPont (USA). It has the ability to manufacture aroma ingredients from bulk to specialty grade at its manufacturing facility in Bareilly and Vadodara. Its state-of-the-art manufacturing facility at Ambernath, Maharashtra started operations in 2014, and is a very versatile manufacturing facility capable of producing flavours as well as fragrances.

The Company has achieved backward integration and established itself as a stronghold in the niche flavours and fragrance industry by foraying into the manufacturing of creative specialty aroma ingredients. It has successfully adopted an efficient and sustainable raw material sourcing policy to insulate itself from external risks.

Under the Company's integrated and fully-automated Distributed Control Systems controlled chemical manufacturing facilities, it currently manufactures over 150 specialty aroma ingredients using 28 different chemistries. These are then used in-house by the flavours and fragrances division to create winning flavours and fragrances for a wide range of applications.

### R&D Facilities

#### Process Re-Engineering Lab in Vadodara

- ▶▶ DSIR-approved lab
- ▶▶ Successfully developed several new products of turpentine chemicals

- ▶▶ Well-equipped pilot plant
- ▶▶ Facility to carry out high-pressure reactions and various lab scale fractionating columns for separation

#### Centre for Innovation in Mumbai

- ▶▶ State-of-the-art synthesis lab
- ▶▶ DSIR-approved lab
- ▶▶ Dedicated to research on generic specialty aroma ingredients in a sustainable way
- ▶▶ Between 20-25 research associates
- ▶▶ Head-space GC-MS, Flash chromatography, UV along with regular analytical set-up
- ▶▶ Well-equipped bench scale laboratories to carry out various organic reactions like aldol condensation, oxidation, reduction, hydrogenation, hydration, acetylation, esterification, isomerisation
- ▶▶ Fully-operational environmental lab for carrying out sustainability studies

### Capex

#### Hydrogenation Plant at Vadodara for Specialty Aroma Chemicals

~ ₹ **1,300-1,500** Million  
Investment

FY **2024-25**  
Estimated Timeline for Completion

#### Capex at Mahad for Aroma Chemicals

~ ₹ **1,000-1,200** Million  
Investment

FY **2023-24**  
Estimated Timeline for Completion of First Phase

## Product Portfolio

### Flavour

The Company's flavours are highly sought-after among customers due to their unique characteristics that enhance the appeal of food & beverage. With a commitment to expanding the world's expression through flavours, the Company aims to create moments of delight through delicious taste experiences. Specialising in custom flavour manufacturing, it aims to revolutionise the palate of taste, providing an unparalleled customer experience in oral hygiene, instant foods, beverages, health and wellness, dairy, and snack foods.

### Fragrance

With strong passion and creativity, the Company is able to create unique fragrance formulations, providing customers with a unique experience. Its in-depth knowledge, understanding of evolving customer behaviour, proximity to the market, and backward-integrated supply chain have led to high demand for its fragrances.

The Company designs customised fragrances for a range of products, including fine fragrances, incense sticks, candles, soaps, shampoos, hair oils, detergents, and other FMCG products, providing its clients with a unique brand identity. Its superior-quality fine fragrance blends are widely popular among the finest perfumes, personal care, and home care brands.

### Specialty Aroma Chemicals

High-quality aroma chemicals are essential components in the creation of flavour and fragrance. These building blocks are crucial to the development of innovative and sustainable F&F formulations. Aroma chemicals can be utilised to mask, mimic, or enhance a particular taste or scent. Each aroma possesses a unique characteristic and specific need, making it stand out regardless of its final application.

As a leader in manufacturing specialty aroma chemicals in India, the Company offers a vast array of molecules and ingredients for both captive consumption and global exports. Each aroma molecule can be customised

to suit a variety of products and provide a unique fragrance. The Company's extensive and continually expanding range, covering the entire olfactive spectrum, caters to a diverse range of products with varying technical specifications. All synthetic aroma ingredients are produced in-house, utilising the Company's research and manufacturing facilities.

### Camphor

The Company is a leading manufacturer of synthetic camphor in India, providing a versatile product with anti-microbial and anti-inflammatory properties. Camphor is used for its medicinal benefits and in spiritual and embalming ceremonies across Asia. As per ancient Indian culture, camphor is highly valued for purifying the air during religious ceremonies. In addition to its purifying properties, camphor is commonly used to treat skin conditions, improve respiratory function, and relieve pain due to its anti-bacterial, anti-fungal, and anti-inflammatory properties. The Company's expertise in synthetic camphor manufacturing has made it one of the largest manufacturers of camphor in India.

### Discussion on Financial Performance with Respect to Operational Performance

During the year under review, the Company's consolidated total revenue has decreased from ₹ 86,879.19 Lakh in 2021-22 to ₹ 84,907.26 Lakh in 2022-23. Profit after tax decreased by ₹ 3,355.94 lakh from ₹ 5,330.23 lakh to ₹ 1,974.29 lakh. The aforesaid decrease in profitability is mainly due to an increase in raw material prices. For standalone performance and consolidated performance, the members may refer to the Board's report.

### Details of Significant Changes

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations are given below:

Particulars	FY 2022-23	FY 2021-22	YOY Change (in %)	Reason for Change
Interest Coverage Ratio	4.20	22.78	(81.56%)	Increased utilisation of borrowing during the year and reduction in profit.
Current Ratio	2.13	2.98	(28.64%)	Due to increase in inventory.
Debt-Equity Ratio	0.37	0.23	58.83%	Increased utilisation of borrowing during the year and reduction in profit.
Operating Profit Margin (%)	6.49%	10.76%	(39.62%)	Due to increase in prices of all input costs and reduction in sales realisations.
Net Profit Margin (%) or sector - specific equivalent ratios, as applicable.	2.43%	6.22%	(60.96%)	Due to increase in prices of all input costs and reduction in sales realisations.

### Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Particulars	FY 2022-23	FY 2021-22	YOY Change	Reason for Change
Return on Net Worth	3.56%	9.68%	63.20%	Due to reduction in profit during the year

### Management Outlook

Oriental Aromatics has carved a niche for itself in the global market as one of the most prominent fully-integrated manufacturers of flavour & fragrance, and aroma chemicals. The Company's unwavering commitment to innovation has been instrumental in its success, enabling it to develop tailor-made products that embody the essence of its clients' brands and visions.

With a focus on cultivating long-lasting relationships with its clients, Oriental Aromatics aims to continue providing high-quality products that meet the evolving needs of its customers. The Company's vision is to become a global leader in the specialty aroma chemical space, with a particular focus on high value, low-volume products. To achieve this, Oriental Aromatics is investing heavily in R&D and emphasising on backward and forward integration.

At the core of its success are its skilled and driven top management team and its dedicated employees. The Company's state-of-the-art automated multi-purpose plants in India for specialty aroma chemicals reinforce its position as a leader in the industry. Moreover, the Company is poised to expand its global reach and strengthen its position in the industry by exploring new ways to enhance its product offerings, improve its processes, and develop innovative solutions. All of this, while integrating sustainability and ensuring environmental compliance to minimise the business' impact on the environment.

### Opportunities

Flavour and fragrance play a crucial role in the buying decisions of various FMCG categories, including home and personal care, and food & beverage, among others. India has an abundant supply of skilled labour, raw materials, and low-cost production, presenting a huge opportunity for the country to become the global hub for chemicals. The current per capita consumption of chemicals in India is low compared to the global average, making it an attractive market with a large population base, increasing per capita income, and rising demand from end-user industries.

The increased demand for personal care and home care products, providing a significant growth opportunity in the fragrance market. Furthermore, digitalisation offers competitive advantages for chemical companies through improved horizontal and vertical integration,

operations management, innovation, and new digital business models. Chemical companies are implementing digitalisation initiatives and tools in their supply chains, demand planning, and pricing strategies.

### Threats

Despite the significant opportunities, certain factors pose a risk to growth. Continued conflict and geo-political tensions, rising crude oil prices, domestic inflationary pressure and disruptions in the global supply chain are all potential threats to growth.

Despite these risks, Oriental Aromatics is in a prime position to capitalise on the opportunities presented by the sector. Successful forward integration has solidified its position in the flavour & fragrance market and aroma chemicals space. The merger has not only enhanced its product portfolio, but also its marketing strengths.



### Risk Management

#### Macroeconomic risk

The macroeconomic environment has become more volatile and uncertain due to externalities, such as geopolitical tensions and rising crude oil prices, inflation, supply chain disruptions resulting in disrupted supply chains and increased prices of commodities. Further, inflationary pressures can exacerbate this impact, lowering demand across the consumer-segment industry.

#### Mitigation

Multiple sourcing models, a wide geographical spread, an extensive sourcing and supply chain network coupled with associated infrastructure in key growing areas ensure the sourcing of high-quality raw materials at competitive costs.

India's emergence as a global manufacturing hub is going to result in an increase in demand for the consumer-segment industry. The essential part of consumer goods demand remains unaffected by any economic slowdown, keeping demand for the Company's products intact.

#### Competition risk

The widespread applications and high growth prospects of the industry create competitive pressures in India as well as globally. Rapidly and constantly evolving consumer demands require the Company to keep pace with appropriate innovations and keep competition at bay.

#### Mitigation

The Company's in-depth understanding of the tastes and preferences of Indian consumers makes it a preferred choice for most of the FMCG companies, providing a competitive edge against industry concentration. The Company is well-prepared to move into bigger markets with its value-added products.

**Raw material risk**

Fluctuations in raw material prices or disruptions in the supply chain can lead to a significant increase in operational costs and a delay in production.

**Mitigation**

A value-based, research-driven philosophy along with a dedicated and efficient team of scientists focussed on new technologies and innovation enable the Company's to continually build on its competitive edge. The Company's integrated operations, right from product conceptualisation with clients to manufacturing aroma ingredients and flavour & fragrance provide it with better control across value chain. This is supported by its professional team's deep expertise in this field, enabling it to quickly meet clients' needs at a low cost.

**Forex risks**

The extended global presence of the Company in 33+ countries, increases financial risk to business in the event of sharp cross-currency fluctuations. Since the Company is a net importer across all its areas of operations, it is exposed to these risks, which can impact the cost of its imports and ultimately, its profitability.

**Mitigation**

The Company is a net-importer, and since there is no material difference between foreign exchange earning & outgo, the net impact on the Company's financials is minimal, thus the foreign exchange risks are minimal.

Please refer to the Board's Report in this Annual Report for further details.

**Internal Control and its Adequacy**

Oriental Aromatics has implemented a comprehensive internal control system, tailored to its size and business operations. It aims to ensure accurate, reliable, and prompt financial reporting, while safeguarding its assets and interests, adhering to applicable laws and regulations, and integrating risk management. The system includes well-documented policies, guidelines, and procedures for authorisation and approval, and

periodical audits are conducted by both internal and external auditors to identify any deficiencies or areas for improvement. The Audit Committee of the Board of Directors reviews the audit plans, observations, and recommendations of the auditors to ensure appropriate actions are taken in response to any risks to the business, maintaining the adequacy of internal controls without compromising its integrity.

**Human Capital**

Human Capital is an integral part of the growth of Oriental Aromatics and the Company strives to attract, retain, and recognise human talent. The Company provides a safe, conducive, collaborative, fair, and healthy work environment. The Company believes in hiring the right talent, managing workforces effectively, and encouraging fresh minds and new ideas, leading to employee motivation and a culture of innovation.

**Ethical Behaviour**

Several programmes and initiatives are undertaken to inculcate a strong sense of business ethics and

social responsibility in employees at all levels. This helps build a culture of transparency, integrity, and accountability.

**Inclusivity and Diversity**

The Company values diversity and provides equal opportunities for all its employees. It believes in creating a workplace that is inclusive and where employees feel valued and respected, irrespective of their gender, age, race, religion, or sexual orientation. Our diversity philosophy celebrates the common values that bring joy, happiness, energy, and enthusiasm to the employees and focusses on bridging differences by enhancing commonalities among the diverse work pool.

**Employee Motivation**

The Company also believes in employee motivation and career growth. It facilitates career growth and encourages employees across the organisation to enhance their knowledge and skills. The Company provides various training programmes and initiatives to help employees upskill and improve their performance.

The total number of permanent employees in the Company was 714 as of 31<sup>st</sup> March, 2023. The industrial relations in the Company's manufacturing units continued to be cordial throughout the year. The Company recognises the importance of employee welfare and provides various benefits to ensure their well-being.

**Environment, Health and Safety**

The Company strongly emphasises environmental sustainability in its business operations, striving to conserve natural resources and protect the ecology by minimising pollution and water usage. Waste management systems are in place at all facilities, ensuring responsible waste handling in harmony with the surrounding ecosystem.

In the area of occupational health and management, Oriental Aromatics has received ISO 45001:2018 for Occupational Health and Safety Management System, and, ISO 14001:2015 for Environmental Management System, ISO 9001:2015 for Quality Management System for all its plants.

Water usage during manufacturing and other plant activities is managed through reuse, recycle, and reduce policies, promoting efficient usage of this precious resource. Moreover, the Company has installed pollution control facilities at both its plants in line with the guidelines of the pollution control authority and set norms. To ensure the safety of its workforce, the Company provides adequate safety equipment and conducts periodic training.

**Cautionary Statement**

The Management Discussion and Analysis section of this document includes forward-looking statements regarding the Company's future expectations and projects related to growth strategy, product development, market position, expenses, and financial results. These statements are based on certain assumptions and expectations, but the Company cannot guarantee their accuracy or realisation. Factors such as economic conditions, Government regulations, tax laws, and incidental factors may impact the Company's operations. The Company takes caution to identify and mitigate any potential risks and uncertainties that could affect its performance.



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 51<sup>st</sup> Annual General Meeting of the members of Oriental Aromatics Limited will be held on Thursday, 17<sup>th</sup> August, 2023 at 11:00 am IST through **Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)** to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of the Annual Audited Standalone and Consolidated Financial Statements and Reports thereon

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the reports of the Board of Directors and Auditors thereon.

#### 2. Declaration of Dividend

To declare final dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2023.

(The Board of Directors has recommended a dividend of ₹ 0.5/- (i.e 10 %) per equity share of face value of ₹ 5/- each.)

#### 3. Appointment of a Director in place of one retiring by rotation

To appoint a Director in place of Mr. Shyamal A. Bodani (DIN: 00617950) who retires by rotation and being eligible, offers himself for re-appointment.

#### 4. Appointment of Statutory Auditors

To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and upon the recommendations of the Audit Committee, M/s. Lodha & Co., (Firm Registration No. 301051E), Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company for a period of 5 years from the conclusion of this Annual General Meeting until the conclusion of 56<sup>th</sup> Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS

#### 5. Ratification of remuneration of Cost Auditor

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 1,45,000/- (Rupee One Lakh Forty-Five Thousand only) per annum, plus applicable taxes and re-imbursement of out of pocket expenses incurred in connection with the Audit, as approved by the Board of Directors based on recommendation of Audit Committee of the Company, to be paid to M/s V. J. Talati & Co. (Firm Registration No. R00213), Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2024, be and is hereby ratified and confirmed.”

#### 6. Re-appointment of Mr. Dharmil A. Bodani as Managing Director

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations,



2015 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Dharmil A. Bodani (DIN: 00618333) as Managing Director of the Company for a further period of 5 years from the expiry of his present term of office i.e with effect from 22<sup>nd</sup> August, 2023 till 21<sup>st</sup> August, 2028, not liable to retire by rotation, upon such other terms and conditions including remuneration as set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof, with specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment including remuneration as may be agreed between Board of Directors and Mr. Dharmil A. Bodani, which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and the Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment, the remuneration comprising salary, incentive remuneration, commission, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Managing Director for a period or periods not exceeding three years in the aggregate, subject to the ceiling on remuneration of ₹ 5,00,00,000/- (Rupees Five crore only) per annum.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

**7. Re-appointment of Mr. Shyamal A. Bodani as Executive Director:**

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, approval of the members be and is hereby accorded to re-appoint Mr Shyamal A Bodani (DIN: 00617950) as a Whole Time Director designated as Executive Director of the Company for a further period of 5 years from the expiry of his present term of office i.e with effect from 22<sup>nd</sup> August, 2023 till 21<sup>st</sup> August, 2028, liable to retire by rotation, upon such other terms and conditions including remuneration as set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof, with specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment including remuneration as may be agreed between Board of Directors and Mr. Shyamal A. Bodani which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and the Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment, the remuneration comprising salary, incentive remuneration, commission, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Director for a period or periods not exceeding three years in aggregate, subject to the ceiling on remuneration of ₹ 4,00,00,000/- (Rupees Four Crore only) per annum.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

**By Order of the Board of Directors  
For Oriental Aromatics Limited**

**Kiranpreet Gill**

Company Secretary

**Place:** Mumbai,

**Date:** 30<sup>th</sup> May, 2023

**Registered Office:**

133, Jehangir Building

2<sup>nd</sup> Floor, Mahatma Gandhi Road, Mumbai- 400001.

CIN: L17299MH1972PLC285731

E-mail: investors@orientalaromatics.com

**NOTES:**

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India ("SEBI") Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and all other relevant circulars issued from time to time, physical attendance of the members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). The registered office of the Company shall be deemed to be the venue for the AGM. Hence, members can attend and participate in the ensuing AGM through VC/OAVM. The video recording and transcript of the same shall be made available on the website of the Company. National Securities Depository Limited ("NSDL") will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No 16 below.
2. Pursuant to the provisions of the act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
3. The members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/Corporate Shareholders (i.e. other than HUF, NRI etc) intending to attend the meetings through their authorized representatives are requested to send a scanned copy (PDF/JPG Format) of certified true copy of the Board Resolution to the Company authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through e-voting, to the Scrutinizer through e-mail at [shreyanscs@gmail.com](mailto:shreyanscs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and to the Company at [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com).
4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto. Statement giving details of the Directors seeking appointment/ re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.
7. **Process for dispatch of Annual Report**

In compliance with the Circulars, the Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those members whose email addresses are registered with the Company/Depository Participants ('DP'), unless any Member has requested for a physical copy of the same.

The Company shall send a physical copy of the Annual Report 2022-23 to those Members who request the same at [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com) mentioning their Folio No./DP ID and Client ID. Notice calling the AGM has been uploaded on the website of the Company at [www.orientalaromatics.com](http://www.orientalaromatics.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

8. **Process for registration of email addresses for obtaining Notice of the AGM along with the Annual Report for the financial year 2022-23:**

If your e-mail address is not registered with the Depositories (if shares held in electronic form) / Company (if shares held in physical form), you may register on or before 5:00 p.m. (IST) on or before Thursday, 03<sup>rd</sup> August, 2023 to receive the Notice of the AGM along with the Annual Report 2022-23 by completing the process as under:

i. **For Registration of E-mail id's for Demat shareholders:**

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their website [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification**

ii. **Registration of email id for shareholders holding physical shares:**

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the E-mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN , mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB) . In case of any query, a member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.**

9. **Book Closure and Dividend:**

The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 04<sup>th</sup> August, 2023 to Thursday, 17<sup>th</sup> August, 2023 (both days inclusive) for the purpose of Dividend and AGM. The dividend of ₹ 0.5/- per equity share of ₹ 5/- each (i.e. 10%), if declared by the Members at the AGM, will be paid subject to deduction of income tax at source ('TDS'), on or after Tuesday i.e 22<sup>nd</sup> August 2023, to those members whose names appear on the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on the record date i.e. Thursday, 03<sup>rd</sup> August, 2023.

- i. For Shares held in electronic form: To all the beneficial owners as at the end of the day on Thursday, 03<sup>rd</sup> August, 2023 as per the list of beneficial owners to be furnished by NSDL and Central Depository Services (India) Limited ('CDSL'); and

- ii. For shares held in physical form: To all the Members after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on Thursday, 03<sup>rd</sup> August, 2023

**TDS on dividend:**

Dividend income is taxable in the hands of the Shareholders and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, the resident and non-resident shareholders are required to be submitted to the Company/Registrar at email ID [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com) or update the same by visiting the link <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> **on or before 03<sup>rd</sup> August, 2023** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate.

A communication providing information and detailed instructions with respect to tax on the dividend was sent separately to the Members whose email addresses were registered with the Company/DPs on Friday, 30<sup>th</sup> June, 2023 informing the relevant procedure to be adopted by them/documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents are available on the Company's website at <http://www.orientalaromatics.com/downloads.php>.

**Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner:**

Under the system of payment of dividend through NECS, the shareholders get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of warrant in transit or its fraudulent encashment. Shareholders holding shares in physical form and desirous of availing NECS facility are requested to furnish particulars of their bank account (including 9 digit MICR code) to the Company's RTA and in respect of shares held in demat (electronic) form such particulars should be furnished to respective Depository Participants.

10. **Investor Education and Protection Fund ("IEPF") related information**

The MCA had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back by them. Concerned members/investors are advised to visit the web link: <http://iepf.gov.in/IEPFA/refund.html> or contact RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority.

The details of the unclaimed dividends are also available on the Company's website at <http://www.orientalaromatics.com/unclaimed-dividend.php> and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report.

11. **Updation of PAN and other details:**

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature) and nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents.

Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from 1st April, 2024, upon registering the required details. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

**Process for Registration of Bank Details for physical shareholders:**

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd , by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the E-mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number , PAN, e-mail id along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.**

Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form

The Company has sent individual letters to all the shareholders holding shares of the Company in physical form for furnishing their PAN, KYC, and nomination details on 31<sup>st</sup> May, 2023. The relevant forms in this regard have been made available on the website of the Company at <http://www.orientalaromatics.com/downloads.php>

**Nomination Facility:**

As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said forms can be downloaded from the Company's website <https://www.orientalaromatics.com/investorrelations.php>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to the Company/Registrar and Transfer Agent in case the shares are held in physical form.

**12. Issue of securities in dematerialised form:**

SEBI has amended Regulation 40 of SEBI Listing Regulations, pursuant to which securities can be transferred only in dematerialized form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risk associated with physical shares.

**13. Documents open for inspection:**

The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection during the meeting in electronic mode and the same may be accessed upon during the AGM on the website of the Company i.e [www.orientalaromatics.com](http://www.orientalaromatics.com) under the head Investor Relations-Inspection Documents.

**14. General Information for Members:**

We urge Members to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail. Members holding shares in dematerialised form, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective Depository Participants and Members holding shares in physical form are requested to update their e-mail addresses with our RTA, Link intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) for receiving all communication, including Annual Report, Notices, Circulars, etc. from the Company electronically. Members may follow the process detailed below for registration of their details:

Type of Holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Private Limited- C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 or at their designated email id i.e. <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form SH-14
	SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests i.e. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.	Form ISR-4
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic Statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.



15. **Remote e-Voting before / during the AGM:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), ("SEBI Listing Regulations") read with MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting during the AGM will be provided by NSDL. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if they have been passed at the AGM.

16. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

I. **The instructions for members for remote e-voting are as under:**

i. The remote e-voting period begins on Sunday, 13<sup>th</sup> August, 2023 at 09:00 A.M. and ends on Wednesday, 16<sup>th</sup> August, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 10<sup>th</sup> August, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 10<sup>th</sup> August, 2023.

ii. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system:**

A. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.’
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

#### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

##### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- a. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status
- b. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting
- c. Now you are ready for e-Voting as the Voting page opens
- d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e. Upon confirmation, the message “Vote cast successfully” will be displayed.
- f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

##### General Guidelines for shareholders

- iii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Prajakta Pawle at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### II. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by email to [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### III. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting

#### IV. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com). These queries will be replied by the company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
17. CS Shreyans Jain, Company Secretary in Practice has been appointed as the scrutinizer to scrutinize the voting process (both Remote e-voting and voting process at AGM) in fair and transparent manner
  18. The Scrutinizer shall immediately, after the conclusion of voting at AGM, will first count the votes cast at the AGM, thereafter unblock the votes cast through Remote e-voting in the presence of atleast two witnesses not in the employment of the Company. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM.
  19. The results declared along with the consolidated Scrutiniser's Report shall be placed on the website of the Company i.e. and of NSDL i.e. after the declaration of results. The results shall also be simultaneously communicated to the stock Exchanges.
  20. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the meeting i.e. 17<sup>th</sup> August, 2023

**By order of the Board of Directors  
For Oriental Aromatics Limited**

**Kiranpreet Gill**  
Company Secretary

**Place:** Mumbai  
**Date:** 30<sup>th</sup> May, 2023  
**Registered Office:**  
133, Jehangir Building  
2nd Floor, Mahatma Gandhi Road,  
Mumbai- 400001.  
CIN: L17299MH1972PLC285731  
E-mail: [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com)

## Annexure forming part of the notice

### (Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013)

This Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

#### Item No. 5:

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s V. J. Talati & Co., (Firm Registration No. R00213) Cost Accountants for the conduct of the audit of cost records made and maintained by the company, at the remuneration of ₹ 1,45,000/- (Rupee One Lakh Forty-Five Thousand only) per annum plus all applicable taxes & re-imbursment of out-of-pocket expenses for the financial year ending 31<sup>st</sup> March, 2024. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution at item no.5 of this notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval and ratification by the members of the Company.

#### Item No. 6:

Mr. Dharmil A. Bodani was re-appointed as the Managing Director of the Company for a period of five years commencing from 22<sup>nd</sup> August, 2018 to 21<sup>st</sup> August, 2023, post approval of the members in the 46<sup>th</sup> Annual General Meeting.

The Board at its meeting held on 30<sup>th</sup> May, 2023, based on the recommendation of the Nomination and Remuneration Committee has recommended to the members the re-appointment of Mr. Dharmil A. Bodani as the Managing Director of the Company for a further period of five years commencing from 22<sup>nd</sup> August, 2023 to 21<sup>st</sup> August, 2028, not liable to retire by rotation, at a remuneration of ₹ 3.30 crore per annum with the maximum limit of ₹ 5 crore per annum.

Mr. Dharmil A. Bodani satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment. He is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company.

Mr. Dharmil Bodani has over three decades of rich experience in the fragrance, flavours, and chemical industry. He has received specialized perfumery training in Grasse, France and has been instrumental in shaping the overall strategy and vision of the group. His visionary leadership has driven Oriental Aromatics to emerge as a fully integrated player in the F&F industry. A brief profile of Mr. Dharmil A. Bodani, including nature of his expertise, is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits/ inadequacy of profits.

Further pursuant to the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein after referred to as Listing Regulations, if the aggregate annual remuneration payable to executive Directors who are promoters or members of promoter group exceeds five percent of net profits of the Company, the proposed remuneration shall also require approval of shareholders by special resolution.

Broad particulars of the terms and conditions of re-appointment of, and remuneration payable to Mr. Dharmil A. Bodani are as under:

**A. Tenure of re-appointment:**

The re-appointment of Managing Director is for a period of 5 years commencing from 22<sup>nd</sup> August 2023 to 21<sup>st</sup> August, 2028, not liable to retire by rotation.

**B. Remuneration:**

a) **Salary:** ₹ 25,00,000/- to ₹ 38,00,000/- per month.

(Maximum Remuneration: ₹ 5,00,00,000/- (Rupees Five Crore only) per annum

Other terms of remuneration of the Managing Director shall be under:

b) **Incentive Remuneration:** Such incentive remuneration not exceeding 100% of the annual salary to be paid at the discretion of the Board annually, based on certain performance criteria.

c) **Commission:** Such remuneration by way of Commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year.

The specific amount payable to the Managing Director will be based on certain performance criteria, to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the members.

d) **Perquisites:** Perquisites will be allowed to the Managing Director, in addition to the salary and commission. For this purpose, the perquisites are classified into three categories, Part A, B and C.

**PART A**

i. **Housing:** Company owned/rented accommodation as may be decided by the Board. In case where the Company owned/rented accommodation is provided, maintenance and repairs allowance of ₹ 30,00,000/- p.a. shall also be paid to the Managing Director. The expenditure incurred by the Company on gas, electricity, water and furnishing if provided shall be valued as per the Income Tax Rules, 1962.

ii. **Medical Reimbursement:** Reimbursement of expenses incurred by the Managing Director for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years.

iii. **Leave Travel Concession:** Leave Travel Concession for Managing Director and his family once in a year incurred in accordance with the rules of the Company

iv. **Club Fees:** Fees of one club. This will not include admission and life membership fees.

**PART B**

i. **Provident Fund and Superannuation Fund:** Company's contribution to Provident Fund and Superannuation Fund in accordance with the rules and regulations in force in the Company from time to time. Contribution to these funds will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

ii. **Gratuity:** Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

**PART C**

i. **Car:** Provision of car for use on Company's business. Personal use of car shall be billed by the Company individually to the Managing Director.

ii. **Telephone:** Provision of Telephone and internet at residence and mobile phone will not be considered as a perquisite. Personal long distance calls on telephone, mobile phone shall be billed by the Company to the Managing Director.

**Other benefits to the Managing Director:**

i. Leave as per rules in force in the Company from time to time.

ii. Benefits under other Schemes including any insurance policy, in accordance with the practices, rules and regulations in force from time to time.

iii. Such other benefits as may be provided by the Company to other senior officers from time to time.

**MINIMUM REMUNERATION:**

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits and allowances payable to Mr. Dharmil A. Bodani shall not exceed ₹ 5,00,00,000/- (Rupees Five Crore Only) per annum for a period or periods not exceeding three years in the aggregate.

**C. General:**

a) The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board.

b) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

c) The Managing Director shall adhere to the Company's code of Conduct.

d) The office of the Managing Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of re-appointment of Mr. Dharmil A. Bodani as the Managing Director of the Company.

Further, the Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

It is proposed to seek the Members' approval for the re-appointment of and remuneration payable to Mr. Dharmil A. Bodani as a Managing Director, in terms of the applicable provisions of the Act and the relevant Rules made thereunder. The Board Recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members of the Company.

Other than Mr. Dharmil A. Bodani being the appointee and Mr. Shyamal A. Bodani being his brother and Executive Director of the Company and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution as set out at item no. 6

In terms of Section 197 read with Schedule V of the Companies Act 2013, the relevant details are specified in Annexure-I, which forms part of this explanatory statement.

**Item No. 7:**

Mr. Shyamal A. Bodani was re-appointed as the Executive Director of the Company for a period of five years commencing from 22<sup>nd</sup> August, 2018 to 21<sup>st</sup> August, 2023, post approval of the members in the 46<sup>th</sup> Annual General Meeting.

The Board at its meeting held on 30<sup>th</sup> May, 2023, based on the recommendation of the Nomination and Remuneration Committee has recommended to its members the re-appointment of Mr. Shyamal A. Bodani as the Executive Director of the Company for a further period of five years commencing from 22<sup>nd</sup> August, 2023 to 21<sup>st</sup> August, 2028, liable to retire by rotation, at a remuneration of ₹ 2.35 crore per annum with the maximum limit of ₹ 4 crore per annum.

Mr. Shyamal A. Bodani satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment. He is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Executive Director of the Company.

Mr. Shyamal A. Bodani started his career in the year 2003, currently he undertakes local as well as overseas marketing sales and export promotion etc. and is actively involved in financial activities of the Company. He also looks after the business of manufacturing of fragrances and flavours in India and abroad and has contributed tremendously towards the robust growth of the Company. A brief profile of Mr. Shyamal A. Bodani, including nature of his expertise, is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits/ inadequacy of profits.

Further pursuant to the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if the aggregate annual remuneration payable to executive Directors who are promoters or members of promoter group exceeds five percent of net profits of the Company, the proposed remuneration shall also require approval of shareholders by special resolution.

Broad particulars of the terms and conditions of re-appointment of, and remuneration payable to Mr. Shyamal A. Bodani are as under:

**A. Tenure of re-appointment:**

The re-appointment of Executive Director is for a period of 5 years commencing from 22<sup>nd</sup> August 2023 to 21<sup>st</sup> August, 2028, liable to retire by rotation.

**B. Remuneration:**

a) **Salary:** ₹ 19,00,000/- to ₹ 33,33,000/- per month.

**Maximum Remuneration:** ₹ 4,00,00,000/- per annum (including perquisites).

Other terms of remuneration of the Executive Director shall be under:

b) **Incentive Remuneration:** Such incentive remuneration not exceeding 100% of the annual salary to be paid at the discretion of the Board annually, based on certain performance criteria.

c) **Commission:** Such remuneration by way of Commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year.

The specific amount payable to the Executive Director will be based on certain performance criteria, to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the members.

d) **Perquisites:** Perquisites will be allowed to the Executive Director, in addition to the salary and commission. For this purpose, the perquisites are classified into three categories, Part A, B and C.

**PART A**

i. **Housing:** Company owned/rented accommodation as may be decided by the Board. In case where the Company owned/rented accommodation is provided, maintenance and repairs allowance of ₹ 30,00,000/- p.a. shall also be paid to the Executive Director. The expenditure incurred by the Company on gas, electricity, water and furnishing if provided shall be valued as per the Income Tax Rules, 1962.

ii. **Medical Reimbursement:** Reimbursement of expenses incurred by the Executive Director for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years.

iii. **Leave Travel Concession:** Leave Travel Concession for Executive Director and his family once in a year incurred in accordance with the rules of the Company

iv. **Club Fees:** Fees of one club. This will not include admission and life membership fees.

**PART B**

i. **Provident Fund and Superannuation Fund:** Company's contribution to Provident Fund and Superannuation Fund in accordance with the rules and regulations in force in the Company from time to time. Contribution to these funds will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

ii. **Gratuity:** Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

**PART C**

i. **Car:** Provision of car for use on Company's business. Personal use of car shall be billed by the Company individually to the Executive Director.

ii. **Telephone:** Provision of Telephone and internet at residence and mobile phone will not be considered as a perquisite. Personal long distance calls on telephone, mobile phone shall be billed by the Company to the Executive Director.

**Other benefits to the Executive Director:**

i. Leave as per rules in force in the Company from time to time.

ii. Benefits under other Schemes including any insurance policy, and tax thereon, if any.

iii. Such other benefits as may be provided by the Company to other senior officers from time to time.

**MINIMUM REMUNERATION:**

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits and allowances payable to Mr. Shyamal A. Bodani shall not exceed ₹ 4,00,00,000/- (Rupees Four Crore Only) per annum for a period or periods not exceeding three years in the aggregate.

**C. General:**

- a. The Executive Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and Board of Directors, and to exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company including performing duties as assigned by the Board from time to time, by serving on the Committees of the Board.
- b. The Executive Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- c. The Executive Director shall adhere to the Company's code of Conduct.
- d. The office of the Executive Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of re-appointment of Mr. Shyamal A. Bodani as the Executive Director of the Company.

Further, the Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

It is proposed to seek the Members' approval for the re-appointment of and remuneration payable to Mr. Shyamal A. Bodani as an Executive Director, in terms of the applicable provisions of the Act and the relevant Rules made thereunder. The Board Recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members of the Company.

Other than Mr. Shyamal A. Bodani being the appointee and Mr. Dharmil A. Bodani, being his brother and Managing Director of the Company and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution as set out at item no. 7.

In terms of Section 197 read with Schedule V of the Companies Act 2013, the relevant details are specified in the Annexure-1 which forms part of this explanatory statement.

**ANNEXURE-1**

**A. In terms of Section 197 read with Schedule V of the Companies Act 2013, the relevant details for Item No 6 and 7 are as under:**

**I. General Information:**

- a. **Nature of industry:** Specialty chemicals industry
- b. **Date or expected date of commencement of commercial production:** The Company was incorporated on 07<sup>th</sup> April, 1972 and its operating activities commenced thereafter.
- c. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable.
- d. **Financial performance based on given indicators:**  
The financial and operating performance of the Company during last three financial years and during financial year 2022-23 is as under:

Particulars	₹ in Lakh			
	2019-20	2020-21	2021-22	2022-23
Revenue from operations	75,943.01	70883.55	86879.19	84907.26
Total Income	76571.24	71059.24	87316.8	85484.14
Earnings before interest, tax, depreciation and amortization (EBITDA) before exceptional items	13447.47	15731.14	9783.33	6091.35
Profit/ (Loss) before tax	10350.35	13745.13	7677.61	2845.44
Profit/ (Loss) for the year after tax (before other comprehensive income)	8,675.47	10242.65	5405.56	2062.47

- e. **Foreign investments or collaborations, if any:**  
No foreign direct capital investment has been made in the Company during the year. Further, foreign investments in the Company include shareholding of FPIs, FIIs, NRIs, foreign banks and foreign nationals, which were acquired through the secondary market.  
As on 31<sup>st</sup> March, 2023, the aggregate foreign shareholding in the Company was 0.626% (including NRI-Non Repatriable).

**II. Information about the Appointee:**

**a. Background Details, Recognition and awards, Job Profile and his Suitability:**

**Mr. Dharmil A. Bodani, Managing Director (DIN:00618333):**

Mr. Dharmil A. Bodani, Managing Director of Oriental Aromatics Limited is a graduate from Mumbai University. He joined business at an early age of 18. He received specialized training on perfumery from experts all over the world. This training and his experience in business gives him a fantastic understanding of how aromas have to be used for commercial success. He has a magnetic personality with a rich experience of more than 3 decades in fragrance, flavours and chemical industry.

He also looks after overseas business of Oriental Aromatics Limited; a family led enterprise of 3 generations involved in the business of manufacturing of fragrances and flavours in India and abroad and has contributed tremendously towards the robust growth of the Company.

He serves as Managing Director in Wholly owned subsidiary company-Oriental Aromatics & Sons Limited, Non-Executive Director of TCFC Finance Limited, Director of Oriental Fragrances and Flavours Private Limited, Keshavlal V. Bodani Education Foundation & PT Oriental Aromatics, Indonesia. He is also occupier of factory located in Ambernath.

He has been instrumental in the formation and implementation of the overall strategy and vision of the group. He plays a very important role in product selection on the chemicals side of our group and also heads creativity on the fragrance and flavor side of the business.

b. **Mr Shyamal A. Bodani, Executive Director (DIN: 00617950)**

Mr. Shyamal Bodani, Executive Director of Oriental Aromatics Limited has completed his B.A. (Hons.) from international Business Studies, London, U.K. He started his career in the year 2003. He undertakes local as well as overseas marketing, sales and export promotion. He plays a key role in the formation and implementation of strategy of the chemical division (especially from the sales and marketing perspective). He is also serving as the Chairman of the Corporate Social Responsibility Committee of the Company. He also looks after the business of manufacturing of fragrances and flavours and has contributed tremendously towards the robust growth of the Company.

Mr. Shyamal A. Bodani is responsible for ensuring that any project; be it a new plant, expansion of an existing plant, a new quality system or any other project is completed well before time and at lesser costs than budgeted at the start. Mr. Shyamal is the head of execution.

He also acts as Director in Wholly owned subsidiary company-Oriental Aromatics & Sons Limited, Director of Oriental Fragrances and Flavours Private Limited, Keshavlal V. Bodani Education Foundation & PT Oriental Aromatics, Indonesia (Subsidiary Company).

c. **Past Remuneration:**

(₹ in Lakh)

Name of Director	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Mr. Dharmil A. Bodani	201.80	206.26	325.10	325.30
Mr. Shaymal A. Bodani	109.08	109.08	234.08	234.08

**Other Disclosures:**

- All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors-** Remuneration is as per above table
- Details of fixed component and performance linked incentives along with the performance criteria-** No other incentives except the remuneration
- Service contracts, notice periods, severance fees-** As per agreement between Company and Directors.
- Stock option details, if any-** Not Applicable

d. **Remuneration Proposed:**

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 30<sup>th</sup> May, 2023 approved the terms of remuneration of Mr. Dharmil A. Bodani, Managing Director and Mr Shaymal A. Bodani, Executive Director for five years tenure commencing from 22<sup>nd</sup> August, 2023, as specified in the above resolutions as set in item nos- 6 and 7 respectively:

Name of Director	Proposed Remuneration (₹ in lakh)
Mr. Dharmil A. Bodani	330 (subject to maximum ceiling of ₹ 5,00,00,000/-)
Mr. Shaymal A. Bodani	235 (subject to maximum ceiling of ₹ 4,00,00,000/-)

e. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The overall managerial remuneration paid by the Company during FY-22-23 is as follows:

Name of the Director	₹ in Lakh Remuneration paid for the FY 22-23
Mr. Dharmil A. Bodani	325.30
Mr. Shaymal A. Bodani	234.08

The remuneration paid by peer companies in the same genre as your Company to its Managerial Personnel are similar/ higher than the proposed overall managerial remuneration payable by the Company. Thus, the proposed remuneration of Managerial Personnel commensurate with the size of the Company, their profile & responsibilities, and the managerial remuneration paid in the same industry.

f. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel (or other director), if any.:**

Besides the remuneration proposed, Mr. Dharmil A. Bodani, Managing Director and Mr. Shyamal A. Bodani, Executive Director does not have any pecuniary relationship with the Company.

Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani are brothers and are related to each other.

**III. Other information:**

a. **Reasons of loss or inadequate profits:**

Since, the appointment is for a term of five years commencing 22<sup>nd</sup> August, 2023 and the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013 and the Listing Regulations, may be exceeded during the term of appointment.

b. **Steps taken or proposed to be taken for improvement:**

The Company believes that it is well positioned to capture opportunities for growth and profitability, on the basis of its principal competitive strengths. The Company has taken quick actions in cost structure. Further, steps have been taken for reduction in other direct and indirect costs by taking various productivity initiatives. The Company is doing the expansion which will result in additional revenue and better profitability.

The Company also follows restructured ways of doing business to address the new environment.

c. **Expected increase in productivity and profits in measurable terms:**

The Company expects coming years to be years of growth given the projects in the pipeline and better utilization of the capacities from the new plants. The company expects to do better sales realization from the current products, resulting in improvement in profitability.

**B. Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

a. **Financial and operating performance of the Company during the three preceding financial years:**

Details provided in para A (I) (d) above

b. **Remuneration or commission drawn by individual concerned in any other capacity from the Company:**

No Managerial Personnel has drawn remuneration or commission in any other capacity from the Company

c. **Remuneration or Commission drawn by Managerial Personnel from any other company:**

No Remuneration is drawn by Managerial Personnel from any other Company except Mr. Dharmil A. Bodani who draws Sitting fees in the capacity of Non-Executive Director in TCFC Finance Limited.

d. **Professional qualification and experience:** Please refer Para A (II) (a) above

e. **Relationship between remuneration and performance:**

The Nomination & Remuneration Committee recommends the remuneration on the basis of performance of the Managerial personnel and the job responsibilities they hold.



f. **The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company:**

Your Company has a strong performance management culture. All the Directors on the Board and employees undergo evaluation of his or her performance against the goals and objectives for the year. Therefore, they are governed by Company's Performance Management System in addition to the Board-approved Remuneration Policy.

g. **Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference:**

Your Company has Board approved Nomination and Remuneration policy for Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees, which provides them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations and to retain, motivate and promote talent to ensure long term sustainability of talented managerial persons and create competitive advantage.

h. **Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:**

Please refer the details outlined in the table appearing at the end of this Notice giving details of Directors pursuant to Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India

i. **Reasons and justification for payment of remuneration:**

Your Company has a rich legacy spanning multiple decades of exploration and innovation during which we have established deep expertise and reputation in the world of smell, taste, health and spirituality. Further, our integrated operations right from product conceptualisation along with clients to manufacturing aroma ingredients and flavours and fragrances provide us better control across value chain.

This is supported by our expert team having deep expertise in this field, enabling us to quickly meet client needs and at low cost. Over the years, we have also implemented systems and processes that enable seamless operations.

Keeping in view the long experience and expertise of the Managerial Personnel to achieve the projected performance benchmarks, it is proposed to pay the remuneration to the Managerial Personnel on the terms and conditions as mentioned in the Explanatory statement.

**By order of the Board of Directors  
For Oriental Aromatics Limited**

**Kiranpreet Gill  
Company Secretary**

**Place:** Mumbai

**Date:** 30<sup>th</sup> May, 2023

**Registered Office:**

133, Jehangir Building

2<sup>nd</sup> Floor, Mahatma Gandhi Road, Mumbai- 400001.

CIN: L17299MH1972PLC285731

E-mail: [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com)

**Details of Directors seeking Appointment/Re-appointment at the 51<sup>st</sup> Annual General Meeting (Pursuant to Regulation 26 and 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and SS-2- Secretarial Standards on General Meetings:**

<b>Name of the Director</b>	<b>Mr Dharmil A. Bodani</b>	<b>Mr. Shyamal A. Bodani</b>
DIN	00618333	00617950
Date of Birth & Age	27 <sup>th</sup> April, 1970, 53 years	22 <sup>nd</sup> September, 1980, 42 years
Date of 1 <sup>st</sup> Appointment on the Board	22 <sup>nd</sup> August, 2008	22 <sup>nd</sup> August, 2008
Qualification	B.Com from Mumbai University	B.A. (Hons.) International Business Studies, London, U.K
Experience (including Expertise in Specific Functional Area)/ Brief Resume	Mr. Dharmil A. Bodani is the Chairman and Managing Director of the Company. He has vast experience of more than 3 decades in fragrance, flavours and chemical industry. He also looks after overseas business of Oriental Aromatics Limited. He has played a key role in the growth of the Company with his expertise in Finance and General Management. He has been instrumental in the formation and implementation of the overall strategy and vision of the group and plays a very important role in product selection on the chemicals side of our group and also heads creativity on the fragrance and flavour side of the business.	Mr. Shyamal A. Bodani, Executive Director of the Company started his career in the year 2003, currently he undertakes local as well as overseas marketing sales and export promotion etc. and is actively involved in financial activities of the Company. He also looks after the business of manufacturing of fragrances and flavours in India and abroad and has contributed tremendously towards the robust growth of the Company.
Terms and Conditions of re-appointment	As per Explanatory Statement	As per Explanatory Statement
Directorships held in other listed Companies	TCFC Finance Limited	None
Memberships/Chairmanships of Committees in other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Member in Stakeholders Relationship Committee- TCFC Finance Limited	None
Inter-se relationship with other Directors and Key Managerial Personnel	Mr. Shyamal A. Bodani- Brother	Mr. Dharmil A. Bodani- Brother
Remuneration last drawn FY 22-23	₹ 325.30 Lakh	₹ 234.08 lakh

Name of the Director	Mr Dharmil A. Bodani	Mr. Shyamal A. Bodani
Number of Board Meeting attended –FY 22-23	4	5
Number of shares held in the Company as on 31st March 2023	1,24,78,752 shares	1,24,80,000 shares

By order of the Board of Directors  
For Oriental Aromatics Limited

**Kiranpreet Gill**  
Company Secretary

Place: Mumbai

Date: 30<sup>th</sup> May, 2023

Registered Office:

133, Jehangir Building

2nd Floor, Mahatma Gandhi Road, Mumbai- 400001.

CIN: L17299MH1972PLC285731

E-mail- [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com)

## BOARD'S REPORT

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company" or "Oriental Aromatics"), along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ("FY") ended 31<sup>st</sup> March, 2023 and the report of the Auditors thereon.

### 1. FINANCIAL HIGHLIGHTS:

The Financial performance of the Company for the year ended 31<sup>st</sup> March, 2023 on a Standalone and Consolidated basis, is summarized below:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2022-2023	2021-2022	2022-2023	2021-2022
Revenue from Operation	84,907.26	86,879.19	84,907.26	86,879.19
Other Income	576.88	437.69	572.81	440.85
<b>Profit before exceptional items, depreciation and finance costs</b>	6,091.35	9,783.33	5,994.15	9,693.59
Less : Depreciation and amortisation expense	1,932.81	1,695.42	1,942.80	1,701.22
<b>Profit before finance costs</b>	4,158.54	8,087.91	4,051.35	7,992.37
Less: Finance costs	1,313.10	410.30	1,303.10	404.50
<b>Profit before exceptional items and tax expenses</b>	2,845.44	7,677.61	2,748.25	7,587.87
Less: Exceptional Items	-	-	-	-
<b>Profit before tax</b>	2,845.44	7,677.61	2,748.25	7,587.87
Less : Tax expense	782.97	2,272.05	773.96	2,257.64
<b>Profit for the year</b>	2,062.47	5,405.56	1,974.29	5,330.23
Attributable to :				
Equity shareholders of the Company	2,062.47	5,405.56	1,974.29	5,330.23
Other comprehensive income ('OCI') Income/(Loss)	(6.11)	(32.67)	(6.11)	(32.67)
<b>Total comprehensive income</b>	2,056.36	5,372.89	1,968.18	5,297.56
<b>Balance in retained earnings at the beginning of the year</b>	54,617.97	49,717.21	54,530.67	49,705.38
Add: Profit for the year (attributable to equity shareholders of the Company)	2,062.47	5,405.56	1,974.29	5,330.23
Less: Transfer to Items other comprehensive income	-	0.00	-	0.14
Less: Dividends including tax on dividend	-	504.80	-	504.80
<b>Balance in retained earnings at the end of the year</b>	56,680.43	54,617.97	56,504.96	54,530.67

### 2. OPERATIONAL PERFORMANCE/STATE OF COMPANY'S AFFAIRS:

#### a. Standalone Performance:

During the year under review, the revenue from operations of your Company stood at ₹ 84,907 Lakh as against ₹ 86,879 Lakh for the previous year, showing a decrease of 2.27 %.

The Company earned a Profit after tax of ₹ 2,062 Lakh as against ₹ 5,405 lakh for the previous year, thereby registering a decline of 61.85%.

Due to decrease in the profit, the Earning per share (EPS) decreased from ₹ 16.06 in the previous year to ₹ 6.13 in the year under review.

The net worth of your Company increased to ₹ 57,906 Lakh at the end of the FY 2022-23 from ₹ 55,850 Lakh at the end of FY 2021-22, thereby registering a growth of 3.68%.

**b. Consolidated Performance:**

The consolidated total sales of your Company for the FY 2022-23, stood at ₹ 84,907 lakh as against ₹ 86,879 lakh for the previous year, showing a decrease of 2.27 %.

The Company earned a Consolidated Profit after tax of ₹ 1,974 lakh as against ₹ 5,330 lakh for the previous year, thereby registering a decline of 62.96%.

As a result of decrease in the consolidated profit, the Earning per share (EPS) also decreased from ₹ 15.84 in the previous year to ₹ 5.87 in the year under review.

The Consolidated net worth of your Company increased to ₹ 57,729 Lakh at the end of the FY 2022-23 from ₹ 55,757 lakh at the end of FY 2021-22, thereby registering a growth of 3.53%.

Summarizing the operational performance for the FY 2022-23 as below:

In FY 2022-23 the decline in the Company's consolidated turnover can be attributed to an unusual drop in raw material prices particularly in the chemical sector which resulted in decline in selling price. The Company's consolidated Profit after tax stood at ₹ 1,974 Lakh as compared to ₹ 5,330 Lakh in the previous year thereby registering decline of 62.96% . This decline is due to increase in utility cost, higher utilization of working capital borrowing and overall increase in finance, manufacturing and operational costs.

The industry's competitive landscape has undergone significant changes, with the entry of numerous new players introducing additional capacity and existing players expanding their operations. As a result, there has been a shift towards a softer demand environment. This softness in demand has exerted pressure on selling prices due to an oversupply of products such as camphor, terpene chemicals, and specialty aroma ingredients. The increased competition and abundance of supply have led to pricing challenges within the market.

Moving forward, it is anticipated that the demand will remain soft in the coming years until the industry reaches a certain level of stabilization. While there is no significant destruction in demand, there is a temporary lag caused by excess stocking in the supply chain. Once stability is achieved, the company intends to capitalize on the improved conditions. However, it should be noted that external factors, particularly in the ingredient sector, currently pose some challenges. Nevertheless, the company maintains a positive outlook on the fragrance side of the business.

Oriental Aromatics follows a steadfast philosophy of pursuing profitable growth. The company remains committed to employing various strategies to achieve this goal, including efficient raw material procurement, reducing conversion costs, and continuous process reengineering. By continuously seeking opportunities for improvement and adaptation, the company aims to maintain a level of profitability within the market's dynamics.

**3. DIVIDEND:**

Your Directors have recommended a dividend of ₹ 0.5/- per share (10%) on the Paid up Equity shares of face value of ₹ 5/- each for the FY 2022-23, to those shareholders whose name appear on the Register of members as on Thursday, 03<sup>rd</sup> August, 2023, subject to the approval of members at the ensuing Annual General Meeting. The dividend payout is in accordance with the Company's Dividend Distribution Policy.

As per the Income Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the Company makes the payment of the dividend from time to time after deduction of tax at source.

**4. TRANSFER TO RESERVES:**

Your Directors do not propose to transfer any amount to reserves for the FY ended 31<sup>st</sup> March, 2023.

**5. SHARE CAPITAL:**

**a. Authorized Capital**

The Authorized share capital of the Company as on 31<sup>st</sup> March 2023 stood at ₹ 35,00,00,000/- (Rupees Thirty Five Crore only) comprising of 7,00,00,000 Equity shares of ₹ 5/- each.

**b. Paid Up Capital**

The paid up Capital of the Company as on 31<sup>st</sup> March 2023 stood at ₹ 16,82,67,880/- (Rupees Sixteen crore eighty-two lakh sixty-seven thousand eight hundred and eighty only) comprising of 3,36,53,576 shares of ₹ 5/- each.

**6. DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013:**

During the year under review your Company has not accepted any Deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**7. FINANCIAL STATEMENT:**

The Audited standalone and consolidated financial statements for the year ended on 31<sup>st</sup> March, 2023 have been prepared in accordance with the Indian Accounting Standards (Ind AS) , provisions of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time and Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"). The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31<sup>st</sup> March 2023. The Notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this Report. The Audited financial statements together with Auditor's Report form part of the Annual Report.

**8. PERFORMANCE HIGHLIGHTS OF SUBSIDIARIES:**

**a. PT Oriental Aromatics (Indonesia)**

Your Company has only one overseas subsidiary namely PT Oriental Aromatics in Indonesia which is engaged in the business of flavors and fragrances. During the FY 2022-23, it recorded a total loss of ₹ 19.60 lakh due to tax expenses of earlier years. There are no associate companies within the meaning of section 2(6) of the Act.

**b. Oriental Aromatics & Sons Limited**

Oriental Aromatics & Sons Limited was incorporated as wholly owned subsidiary of Oriental Aromatics on 27<sup>th</sup> December, 2019 which is engaged in the business of Specialty Aroma Chemicals, flavors and fragrances. During FY 2022-23, it recorded a total loss of ₹ 68.58 lakh. The Company has not yet commenced its operations.

Pursuant to the provisions of Section 129 (3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached as "Annexure A" to the Board's Report.

In accordance with Section 136 of the Companies Act, 2013, the audited Financial Statements, including the Consolidated Financial Statement and audited accounts of each of its subsidiaries, are available on the website of the Company at <http://www.orientalaromatics.com/investorrelations.php>

**9. SECRETARIAL STANDARDS:**

Your Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**10. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:**

Sustainability Reporting is an emerging discipline encompassing the disclosure and communication of an entity's non-financial - environmental, social, and governance (ESG) performance and its overall impact. Pursuant to Regulation 34(2)(f) of SEBI Listing Regulations and SEBI Circulars dated May 05, 2021 and May 10, 2021, SEBI mandated reporting of Business Responsibility and Sustainability Report (BRSR) for the top 1000 listed companies (by market capitalization) replacing the existing Business Responsibility Report (BRR) with effect from the financial year 2022-23. The disclosures as per BRSR relates to Company's performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs).

In view of the same, the BRSR initiatives taken from an Environmental, Social and Governance perspective in the prescribed format is available as a Separate Section of this Report and a copy of which is available on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com).

**11. MATERIAL CHANGES AND COMMITMENTS:**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which this report relates and the date of the report.

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

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

**13. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Oriental Aromatics has implemented internal control systems that are aligned with the company's size, scale, and operational characteristics. Your Company has maintained a proper and adequate system of internal controls. Monitoring and assessment of internal controls across various functions is performed through continuous evaluations to ensure that the implemented internal control system is effective. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditor, corrective actions are undertaken in the respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**14. CREDIT RATING:**

Based on a review of the developments, the Rating Committee of ICRA, after due consideration had reaffirmed the long-term rating at [ICRA]A and ICRA had also reaffirmed the short-term rating at [ICRA] A2+, during the financial year 2022-23. The outlook on the long-term rating was revised to Negative from Stable. Therefore, the credit rating assigned stood as below:

Sr. No.	Instrument	Type	Rating Agency	Credit Ratings and Outlook	Rating assigned on
1	Unallocated Limits	Long term	ICRA	[ICRA]A (Negative);	17 <sup>th</sup> January, 2023
2	Fund-based/ Non-Fund based limits	Long term/ Short term	ICRA	[ICRA]A(Negative)/ [ICRA]A2+;	17 <sup>th</sup> January, 2023

ICRA had revised the outlook to negative because it expected that the margin profile of Oriental Aromatics Limited (OAL) would be under pressure, considering the elevated raw material prices, competition in the camphor segment and demand constraints in the perfumery segment.

**15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

There were no loans or guarantees given or securities provided by the Company except investments made in wholly owned subsidiary (WOS), Oriental Aromatics & Sons Limited, for which Section 186 of the Companies Act, 2013 is not applicable.

Further, the details of investments in WOS are given in Notes to the financial statements forming part of Annual Report.

**16. RELATED PARTY TRANSACTIONS:**

All Related Party Transactions that were entered into during the FY 2022-2023 were on arm's length basis and in the ordinary course of business.

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the financial year under review were on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the year under review. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS".

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com) and the weblink thereto is: <http://www.orientalaromatics.com/documents/corporate-governance/policies/policy-on-related-party-transactions.pdf>

**17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**a. COMPOSITION:**

The Board comprises of 7 (Seven) directors, out of which 4(four) are independent directors.

**b. RE-APPOINTMENT/APPOINTMENT:**

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shyamal A. Bodani, Executive Director (DIN:00617950) of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Dharmil A. Bodani, Managing Director (DIN: 00618333) shall be completing his tenure of five years on 21<sup>st</sup> August, 2023. The Board of Directors at its meeting held on 30<sup>th</sup> May, 2023 has recommended his re-appointment as Managing Director of the Company for a further period of five years with effect from 22<sup>nd</sup> August, 2023 till 21<sup>st</sup> August 2028, to the members in the 51<sup>st</sup> Annual General Meeting.

Mr. Shyamal A. Bodani, Executive Director (DIN:00617950) shall be completing his tenure of five years on 21<sup>st</sup> August, 2023. The Board of Directors at its meeting held on 30<sup>th</sup> May, 2023 has recommended his re-appointment as Executive Director of the Company for a further period of five years with effect from 22<sup>nd</sup> August, 2023 till 21<sup>st</sup> August 2028, to the members in the 51<sup>st</sup> Annual General Meeting.

As required under the SEBI Listing Regulations, particulars of Director seeking appointment/re-appointment at the ensuing General Meeting has been given under Corporate Governance Report and in the Notice of the 51<sup>st</sup> Annual General Meeting. The aforesaid Director is not disqualified from being appointed as Director, as specified in Section 164 of the Companies Act, 2013.

The proposal regarding the re-appointment of the aforesaid Director is placed for your approval. The Board of Directors recommends their re-appointment.

**c. DECLARATION BY INDEPENDENT DIRECTORS:**

All the Independent Directors of Company have given the declarations that they meet the criteria of Independence as prescribed pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 25(8) and 16(1)(b) of SEBI Listing Regulations, as amended from time to time and are independent of the management.

The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

**d. NUMBER OF MEETINGS OF THE BOARD:**

During the year five (5) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations. Detailed information on the meetings of the Board is included in the Corporate Governance Report, which forms part of this Annual Report.

**e. COMMITTEES OF THE BOARD:**

The Company has constituted various Committees of the Board as required under the Companies Act, 2013 and the SEBI Listing Regulations. For details like composition, number of meetings held, attendance of members, etc. of such Committees, please refer to the Corporate Governance Report which forms a part of this Annual Report.

**f. FAMILARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The Company has set Familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of which are available on the website of the Company [www.orientalaromatics.com](http://www.orientalaromatics.com). The Weblink of the same is as below:

<http://www.orientalaromatics.com/documents/corporate-governance/policies/familiarization-program.pdf>

For details of the Familiarisation programme conducted, kindly refer Corporate Governance Report which forms part of this Annual Report.

**g. BOARD EVALUATION:**

In terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board functioning like composition of the Board and its committees, culture, execution and performance of Specific duties, obligations and governance.

The Board carried out an annual performance evaluation of its own performance, individual directors as well as the working of the committees of the Board. The performance evaluation of Board and committees was carried out by the Board after seeking all inputs from all the directors on the basis of criteria such as composition, structure, effectiveness and functioning of the Board and its respective committees.

The performance evaluation of the individual directors was carried out by the entire Board excluding the director being evaluated.

In the separate meeting of independent directors, performance evaluation of the chairman and the non-independent directors and Board as a whole was carried out taking into account views of executive and non-executive directors. The overall performance of Chairman, Executive Directors, Non-Executive Directors, Board and Committees of the Board was found satisfactory.

**h. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the financial year 2022-23, Mr. Bhadreshkumar Pandya - Executive Director- Operations resigned from the Board of the Company with effect from 15<sup>th</sup> August, 2022. The Board expresses its appreciation for Mr. Bhadreshkumar Pandya for the valuable guidance and services rendered by him during his tenure as Executive Director of the Company.

In terms of the provisions of Section 2(51) and Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

Mr. Dharmil A. Bodani - Chairman and Managing Director

Mr. Shyamal A Bodani -Executive director

Mr. Satish Kumar Ray-Executive Director- Operations

Mr. Parag K. Satoskar - Chief Executive Officer

Mr. Girish Khandelwal - Chief Financial Officer

Ms. Kiranpreet Gill -Company Secretary and Compliance Officer

Ms. Anita Satoskar- Chief Research & Development Officer (appointed pursuant to the provisions of Section 2(51) of the Act)

**18. CORPORATE GOVERNANCE REPORT**

A separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance, forms a part of this Annual Report, as per SEBI Listing Regulations.

**19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under the provisions of SEBI Listing Regulations forms part of this Annual Report.

**20. DIRECTOR'S RESPONSIBILITY STATEMENT:-**

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state and confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed, and there have been no material departures.
- b. Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at 31<sup>st</sup> March, 2023 and of the Company's profit for the year ended on that date.
- c. Proper and sufficient care has been taken 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.
- d. The annual financial statements have been prepared on a going concern basis.
- e. That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.
- f. Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**21. DISCLOSURES RELATED TO POLICIES:**

**a. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to Section 135 of the Companies Act, 2013 and the Rules made there under, the Board of Directors has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship

of Mr. Shyamal A. Bodani, Executive Director (DIN:00617950). The Company undertakes CSR activities in accordance with the CSR Policy. The Company has adopted a strategy for undertaking CSR activities either directly or through Keshavlal V. Bodani Education Foundation/ other implementing agencies, as deemed appropriate, and is committed to allocating at least 2% of average net profit of the last 3 years.

The Company has identified and adopted projects as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. The Company's main focus area is promoting educational facilities for the students having learning disabilities by making contribution to Keshavlal V. Bodani Education Foundation. During the FY 2022-23, in addition to making contribution to Keshavlal V. Bodani Education Foundation, your Company also made contribution in ensuring environmental sustainability, ecological balance, Health Care and Sanitation, making available safe drinking water in and around our manufacturing unit, Empowering Women, Promotion of education relating to Culture.

The Corporate Social Responsibility Policy is available on the website of the Company [www.orientalaromatics.com](http://www.orientalaromatics.com) and the web-link thereto is as below: <http://www.orientalaromatics.com/documents/corporate-governance/policies/csr-policy.pdf>

During the FY 2022-23, the Company has spent the amount of ₹ 211.82 Lakh towards the CSR initiatives. The disclosure relating to the amount spent and the details of the activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in "Annexure-B" forming part of this report and the web-link thereto is as below:

<http://www.orientalaromatics.com/corporate-announcements/AnnualActionPlan-2223.pdf>

**b. NOMINATION AND REMUNERATION POLICY:**

In terms of the provisions of the Companies Act, 2013 and the SEBI Listing Regulations as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and other Employees has been formulated by the Committee and approved by the Board by Directors.

**The objective of the Policy is:**

- i. to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive/Non-Executive/Independent) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration
- ii. to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- iii. to recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- iv. to assist the Board in ensuring that the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.

The remuneration has been paid as per the Nomination and Remuneration Policy of the Company. The policy may be accessed on the website of the Company at [www.orientalaromatics.com](http://www.orientalaromatics.com) and weblink thereto is:

<http://www.orientalaromatics.com/documents/corporate-governance/policies/NomNRemPol.pdf>

**c. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy.

The Vigil Mechanism may be accessed on the Company's website at [www.orientalaromatics.com](http://www.orientalaromatics.com) at the link:

<http://www.orientalaromatics.com/documents/corporate-governance/policies/vigil-mechanism.pdf>

**d. MATERIAL SUBSIDIARY POLICY:**

Pursuant to the provisions of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Policy for determining Material Subsidiaries laying down the criteria for identifying material subsidiaries of the Company.

The Company does not have any Material subsidiary.

The Policy may be accessed on the website of the Company at the link:

<http://www.orientalaromatics.com/documents/corporate-governance/policies/POLMatSubsidiary.pdf>

**e. RISK MANAGEMENT:**

We firmly believe that efficient monitoring and management of risks are essential for the Company to achieve its strategic objectives. To accomplish this, we have implemented a robust Business Risk Management framework that enables us to identify, assess, and evaluate business risks and opportunities. Our framework is designed to foster transparency, mitigate any adverse impacts on our business objectives, and enhance our competitive advantage.

**i. Risk Management Committee:**

The Company has formed Risk Management Committee (RMC) to determine Key Risks, and to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. The members may refer Corporate Governance report for Composition and Terms of reference of the Committee.

**ii. Risk Management Policy:**

The Company has adopted Risk Management Policy in compliance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which promotes a proactive approach in analysis, reporting and mitigation of key risks associated with the business in order to ensure a sustainable business growth. It provides the Risk Management framework which is designed to protect and add value to the organization and its stakeholders through supporting the organization's objectives by improving decision making, planning and prioritization by comprehensive and structured understanding of business activity, volatility and project opportunity/threat.

The Risk Management Framework adopted by OAL provides comprehensive view of risk management to address risks inherent to strategy, operations, finance and compliance and their resulting organizational impact. The Risk Management framework comprises of:

- Risk management process; and
- Risk management organization structure

**The Risk management process** adopted by OAL has been tailored in accordance with the business processes of the organization. Risk Management Committee periodically reviews the Risk management Policy of the Company so that the Management can control the risk through properly defined network. The responsibility for identification, assessment, management and reporting of risks and opportunities primarily rests with the business managers as they are best positioned to identify the opportunities and risks they face, evaluate these and manage them on a day to day basis. The Risk Management Committee provides oversight and reports to the Board of Directors. Broadly categorizing, the process consists of the following stages/steps:

- Establishing the Context
- Risk Assessment (identification, analysis & evaluation)
- Risk Treatment (mitigation plan)
- Monitoring, review and reporting
- Communication and consultation

**The Risk management organization structure** including the key roles and responsibilities is summarized as follows:

**Board of Directors:**

The Board, oversees the establishment and implementation of an adequate system of risk management across the company.

**Risk Management Committee:**

- Risk Management Committee is chaired by Independent Director. The Committee seeks to identify the key business risks.
- It develops risk response processes and assesses adequacy of responses for the key risks identified through the risk management framework
- Ensures the implementation of risk mitigation plans
- Monitors the Key Risk Indicators (KRIs) of the Enterprise and Functional Level Key Risks.
- Prepares and Updates the Corporate Level Key Risk register and present half yearly reports to the Audit Committee/Board.

**Site Level Risk Management Committee:**

The Committee sets the risk management procedures and coordinates with risk unit owners in reporting key risks to the Risk Management Committee.

**Risk Unit Owners:**

Risk unit owners in consultation with Officer in charge at a plant/unit assess the risk by determining its probability of occurrence and its impact with an objective of reporting key risks to the Site Level Risk Committee.

The Risk Unit owners are responsible for preparing and consolidating the report and the same is reviewed by the Site Level Risk Committee.

iii. **Key Risks & Description:**

**Financial Risks:**

The Company is exposed various types of risks, including market risk, credit risk, forex risk and liquidity risk. These risks are inherent in our business operations and require diligent management to ensure the Company's stability and success.

**Operational Risks:**

The Company is exposed to operational risks including supply chain disruptions, high energy costs risk, production risks including shortage of manpower, Logistics issues, quality assurance, Leakage, Spillage, Fire, Explosion etc that form an inherent part of our business environment. We recognize that operational uncertainties can arise, leading to potential disruptions and challenges. We are committed to actively managing these risks to safeguard our operations, ensure business continuity, and deliver on our commitments to stakeholders.

**Cyber Risks:**

The Company is exposed to significant risks associated with data loss from cyber attacks, including hardware failure, data corruption, hacking, and data leakage. We recognize the critical importance of safeguarding our data assets and protecting the confidentiality, integrity, and availability of sensitive information.

**Environment, Health & Safety Risks:**

The Company is exposed to Environment, Health & Safety Risks i.e to address climate change related risks with an aim to reduce carbon emissions and preserve nature, to containment of infectious diseases, to ensure containment of safety hazards i.e leakage, spillage, fire, explosion and toxic release from tank due to improper handling and storage of flammable material etc. We are committed to proactively managing these risks and integrating responsible practices into our operations.

**Macroeconomic risk:**

The Company is exposed to change in government policies and regulatory framework of the industry in which the Company operates. Macroeconomic and business conditions also impacts the Company's operations at large. The macroeconomic environment has become more volatile and uncertain due to externalities, such as geopolitical tensions resulting in disrupted supply chains and increased prices of commodities. Further, inflationary pressures can exacerbate this impact, lowering demand across the consumer-segment industry.

**Competition Risk:**

The widespread applications and high growth prospects of the industry create competitive pressures in India as well as globally. Rapidly and constantly evolving consumer demands require the Company to keep pace with appropriate innovations and keep competition at bay. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects of these risks on its operational & financial performance. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The risk-related information outlined above in this section is not exhaustive.

**f. DIVIDEND DISTRIBUTION POLICY:**

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted a Dividend Distribution Policy which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders. The dividend recommended is in accordance with the Dividend Distribution Policy of the Company.

The Policy is available on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com/documents/corporate-governance/policies/DivDistPolicy.pdf) at <http://www.orientalaromatics.com/documents/corporate-governance/policies/DivDistPolicy.pdf>

**g. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has formed Internal Committees ('IC') at all its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a detailed policy for prevention of sexual harassment which ensures a free and fair enquiry process. While maintaining the highest governance norms, the Company has appointed external committee member who has prior experience in the areas of women empowerment and prevention of sexual harassment.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. To build awareness in this area, the Company conducted awareness session for all the employees.

## 22. AUDITORS AND AUDITORS REPORTS:

### a. STATUTORY AUDITORS:

At the Company's 46<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2018, M/s Bagaria & Co LLP (Reg. No. 113447W/W-100019), Chartered Accountants were appointed as statutory Auditors of the Company for a period of 5 years till the conclusion of 51<sup>st</sup> Annual General Meeting. Their Tenure of 5 years gets completed at the ensuing AGM.

M/s. Lodha & Company, Firm Registration No. 301051E had completed tenure of 10 years prior to the appointment of M/s Bagaria & Co. LLP. Their cooling off period of 5 years is over. It is therefore now proposed to appoint M/s. Lodha & Company, Firm Registration No. 301051E, as the Statutory Auditors of the Company for a period of five years, from the conclusion of 51<sup>st</sup> ensuing Annual General Meeting until the conclusion of 56<sup>th</sup> Annual General Meeting. The aforesaid auditors are eligible for re-appointment and have communicated their consent to act as such. The proposal regarding the appointment of the aforesaid auditor is placed for your approval, The Board of directors recommends their re-appointment.

The Auditors Report to the shareholders for the year under review does not contain any qualification, reservation, disclaimers or adverse remarks.

### b. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Shreyans Jain & Co., Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the FY 2022-23. The Report of the Secretarial Audit carried out is annexed herewith as "Annexure C".

The Secretarial Audit report, as issued by the auditors in Form MR-3 does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board has on the recommendation of the Audit Committee re-appointed M/s. Shreyans Jain & Co., Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for the FY 2023-24.

### c. COST AUDITOR:

Pursuant to the provisions of Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, the Board had appointed M/s V. J. Talati & Co, Cost Accountants as cost auditors to conduct the audit of Cost accounting records for the FY 2022-23

The Cost Audit report for the FY 2021-22 was filed with Ministry of Corporate Affairs on 29<sup>th</sup> August, 2022.

The Board has on the recommendation of the Audit Committee, re-appointed M/s V. J. Talati & Co., Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2023-24 at a remuneration of ₹ 1,45,000/- plus Service Tax & re-imbursalment of out-of- pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

## 23. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

## 24. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the year under review, your Company has transferred a sum of ₹ 4,27,596 (Rupees Four Lakh Twenty-Seven Thousand Five Hundred and Ninety-Six only) to Investor Education and Protection Fund, in compliance with the provisions of Section 125 of the Companies Act, 2013. The said amount represents dividend for the FY 2014-15 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), the Company has uploaded the information in respect of the unclaimed dividends as on 31.03.2022 on the website of the Company at [www.orientalaromatics.com](http://www.orientalaromatics.com) and the weblink is: <http://www.orientalaromatics.com/unclaimed-dividend.php>

Pursuant to the provisions of Section 124 of the Act read with the IEPF Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 72,070 Equity Shares of face value ₹ 5/- per share to the demat account of the IEPF Authority during FY 2022-23.

The Company had sent individual notice to all the Members whose shares were due to be transferred to the IEPF Authority and had also published newspaper advertisements in this regard. The details of such shares transferred to IEPF are uploaded on the website of the Company at <http://www.orientalaromatics.com/unclaimed-dividend-iepf/List-of-shareholders-whose%20shares-are-to%20be-transferred-to-IEPF-on-29-10-2023.pdf>

The Company has appointed a Nodal Officer and Deputy Nodal Officer under the provisions of IEPF, the details of which are available on the Company's website at <https://www.orientalaromatics.com/investorrelations.php>

## 25. INSURANCE:

The Company's buildings, plant & machinery and inventories have been adequately insured. Loss of profit with respect to both factories has also been adequately insured.

## 26. ENVIRONMENTAL COMPLIANCE AND SAFETY:

Your Company places a strong emphasis on pollution control, environmental protection and sustainability throughout its manufacturing process. By maximizing recovery, conserving water, minimizing effluents and emissions, your company is actively working towards reducing its environmental impact. Having policies in place for sustainable environment practices, energy consumption and local pollution, further demonstrates our commitment to environmental stewardship. As required by the local authorities the Company submits necessary analytical reports. This ensures transparency and accountability in company's environmental practices.

Your Company has compliance certification of Environmental Management Systems (EMS) ISO 14001:2015. This certification validates your company's efforts in establishing and maintaining an effective environmental management system. It helps in achieving the intended outcomes of the system, enhancing environmental performance, achieving environmental objectives and fulfilling compliance obligations. By implementing an EMS, your company is demonstrating its commitment to continuous improvement in environmental performance and sustainable practices.

Overall, your company's focus on pollution control, environmental protection, and sustainability, as well as its compliance with environmental regulations, positions it as a responsible and environmentally conscious organization.



**27. LISTING OF SECURITIES:**

The Equity Shares of the Company are listed at BSE Limited (BSE) and NSE. The Shares are under compulsory dematerialization list of the Securities & Exchange Board of India. As on 31<sup>st</sup> March 2023, total 32776638 shares representing 97.39% of Companies Equity Share Capital have been dematerialized. The Company has paid Annual Listing fees for the FY 2023-24 to the stock exchanges where it is listed.

**28. INDUSTRIAL RELATIONS:**

The relations with the employees of the Company remained peaceful and cordial during the year under review.

**29. ANNUAL RETURN:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31<sup>st</sup> March, 2023 is available on the Company's website at the link the Company's website at the link <http://www.orientalaromatics.com/documents/inspection-documents/Temp.pdf>

**30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As required by the Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgoings respectively, is given in the "Annexure- D" to this report.

**31. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1), Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as "Annexure-E".

**32. GREEN INITIATIVE:**

Your Company has considered and adopted the initiative of going green minimizing the impact on the environment. To support the company's 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with our Registrar and Share Transfer Agent- M/s Link Intime India Private Limited (RTA) in case the shares are held by them in physical form.

**33. ACKNOWLEDGEMENT:**

The Directors would like to extend their sincere gratitude to the Company's customers, vendors, and investors for their unwavering confidence and patronage. We are deeply appreciative of the continuous support received from financial institutions, business associates, regulatory and governmental authorities, whose cooperation, support, and guidance have been instrumental in our success.

The Directors express their utmost appreciation for the dedicated efforts and contributions of every employee including the workmen at our manufacturing plants, who have demonstrated unwavering support and resilience during these challenging times. It is through the collective efforts of our stakeholders and employees that we continue to thrive and achieve our goals.

**For and on behalf of the Board of Directors**

**Dharmil A. Bodani**

Chairman and Managing Director  
DIN: 00618333

**Satish Kumar Ray**

Executive Director-Operations  
DIN:07904910

**Place:** Mumbai  
**Dated:** 30<sup>th</sup> May, 2023

**ANNEXURE-A**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures**

**Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ lakh)

Name of the subsidiary	PT Oriental Aromatics	Oriental Aromatics & Sons Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting as that of Holding Company i.e. 31 <sup>st</sup> March 2023* (₹ in lakh)	No
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	IDR (183.01)	INR
Share capital	823.73	3200
Reserves & surplus	-897.19	-170.06
Total assets	9.48	3207.62
Total Liabilities	82.93	177.69
Investments	-	-
Total Income	-	0.05
Profit/(Loss) before taxation	-19.60	-77.59
Provision for taxation	-	-10.40
Profit/ (Loss) after taxation	-19.60	-68.58
Proposed Dividend	0.00	-
% of shareholding	99.86%	100%

**NOTE:** \*Reporting period of PT Oriental Aromatics is 31<sup>st</sup> December. However due to Consolidation of Financial Accounts, Figures as on 31<sup>st</sup> March ended are taken into consideration.

**For and on behalf of the Board of Directors**

**Dharmil A. Bodani**

Chairman and Managing Director  
DIN: 00618333

**Satish Kumar Ray**

Executive Director-Operations  
DIN:07904910

**Place:** Mumbai  
**Date:** 30<sup>th</sup> May, 2023

**ANNEXURE-B**

**ANNUAL REPORT ON CSR ACTIVITIES**

**1. Brief outline on CSR Policy of the Company:**

Corporate Social Responsibility Section of the Directors Report contains the requisite details.

The Company has adopted a CSR policy in compliance with the provisions of the Companies Act 2013 and the same is also displayed on the Company's website i.e. <http://www.orientalaromatics.com>

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shyamal A. Bodani (Chairman)	Executive Director	3	3
2	Mr. Harshvardhan A. Piramal (Member)	Non-Executive Independent Director	3	3
3	Ms. Amruda V. Nair (Member)	Non-Executive Independent Director	3	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: the weblink thereto is:**

**Composition of Committees:**

<http://www.orientalaromatics.com/composition-of-committees.php>

**CSR Policy**

<http://www.orientalaromatics.com/documents/corporate-governance/policies/csr-policy.pdf>

**CSR Projects**

<http://www.orientalaromatics.com/corporate-announcements/AnnualActionPlan-2223.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable**

**6. Average net profit of the company as per section 135(5): ₹ 10,591.03 Lakh**

**7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 211.82 Lakh**

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 211.82 Lakh

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year: ₹ 211.82 Lakh

Amount unspent: NIL

(b) Details of CSR amount spent against **ongoing projects** for the financial year: NIL

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (₹ in Amount)	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Promotion of educational facilities for the students having learning disabilities through contribution to M/s Keshavlal V. Bodani Education Foundation	Education, Schedule VII (ii)	Yes	Mumbai,	Maharashtra	2,05,32,000	No	Keshavlal V. Bodani Education Foundation	CSR00002646
2.	Ensuring environmental sustainability, ecological balance (Beach cleaning)	Schedule VII (iv)	Yes	Mumbai,	Maharashtra	41,780	Yes	Direct	NA
3.	Health Care and Sanitation (Blind People)	Schedule VII (i)				20,000	No	Blind Foundation of India	CSR00003325
4.	Health Care and Sanitation (Bal Asha Trust)	Schedule VII (i)				50,060	Yes	Direct	NA
5.	Health Care and Sanitation, making available safe drinking water in and around our manufacturing unit • Eye Check up near plant • Donation of RO in nearby School	Schedule VII (i)	Yes	Ambarnath,	Maharashtra	20,000	No	Gurukrupa Foundation	CSR00007762
						17,660	Yes	Direct	NA
						10,500	Yes	Direct	NA
6.	Ensuring environmental sustainability (Tree Plantation)	Schedule VII (iv)							
7.	Health Care and Sanitation, making available safe drinking water in and around our manufacturing unit • Donation of ECG Machine • Donation of RO near plant	Schedule VII (i)	Yes	Vadodara,	Gujarat	82,032	No	Medical care Centre Trust	CSR00003940
						57,256	Yes	Direct	NA
						30,072	Yes	Direct	NA
8.	Ensuring environmental sustainability in and around our manufacturing unit (Solar Lights/Panels)	Schedule VII (iv)							
9.	Empowering Women (Sewing Machine)	Schedule VII (iii)				80,640	Yes	Direct	NA
10.	Health Care and Sanitation making available safe drinking water in and around our manufacturing unit	Schedule VII (i)	Yes	Bareilly,	Uttar Pradesh	31,300	Yes	Direct	NA
11.	Promotion of education relating to Culture (Har Ghar Tiranga Campaign)	Schedule VII (ii)				32,950	Yes	Direct	NA
12.	Promotion of Education	Education, Schedule VII (ii)				1,85,300	Yes	Direct	NA
<b>Total</b>						<b>2,11,82,000</b>			

**Annexure-C**

**FORM MR-3**

**Secretarial Audit Report of Oriental Aromatics Limited for the Financial Year ended 31<sup>st</sup> March 2023**

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

To,  
The Members,  
Oriental Aromatics Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Oriental Aromatics Limited** having **CIN: L17299MH1972PLC285731** (hereinafter called "the Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the company's 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 March 31, 2023 has complied with the statutory provisions listed hereunder 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 March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the audit period);**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweta Equity) Regulations, 2021; **(Not Applicable to the Company during the audit period);**
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the audit period);**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the audit period);**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the audit period);

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 211.82 Lakh
- (g) Excess amount for set off, if any: NIL
- 9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details):** Not Applicable
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable
- 12. Details of Implementing Agency:
  - (a) **Keshavlal V. Bodani Education Foundation:**  
Keshavlal V. Bodani Education Foundation, Mumbai, is registered under section 25 of the Companies Act, 1956 (Section 8 Company under Companies Act 2013). Keshavlal V. Bodani Education Foundation is situated at Jehangir Building, 2nd Floor, 133, M. G. Road, Fort, Mumbai 400001. The foundation is registered for undertaking CSR Activities and the Registration Number is CSR00002646.  
Keshavlal V. Bodani Education Foundation oversees the functioning of The Gateway School of Mumbai, for students with Learning Disabilities.
  - (b) **Blind Foundation of India**  
Blind Organisation of India is situated at 114 & 114-A,MT House, Plot no.32,N.C,Malwani,Malad (West), Mumbai, MH18, MH-400095. The organisation is registered for undertaking CSR Activities and the Registration Number is CSR00003325.  
The Organisation works for welfare of blind and rehabilitation of the lives of the blind people.
  - (c) **Gurukrupa Foundation:**  
Gurukrupa Foundation is situated at Govardhan Dham, 2nd Floor, Opp ST Work, Khopat, Thane West, Thane-MH32, MH-400601. The organisation is registered for undertaking CSR Activities and the Registration Number is CSR00007762.  
The Organisation works for providing quality health care services to people.
  - (d) **Medical Care Centre Trust:**  
Medical Care Trust is a Public Charitable Trust registered under Bombay Public Trust Act, 1950 and also registered under Society Registration Act, 1860. It is situated at Jalaram Marg, Karelibaug, Vadodara, GJ24, GJ- 390018.  
The Trust is registered for undertaking CSR Activities and the Registration Number is CSR00003940.  
The field of activities of the organization is to provide excellent medical care and treatment to sick children. The organization is a tertiary care pediatric hospital serving the poor and needy people of Vadodara, central Gujarat and neighboring states of Madhya Pradesh, Rajasthan & Maharashtra.  
We hereby confirm that the implementation and monitoring of CSR Activities is in compliance with CSR objectives and the CSR Policy of the Company.

**For and on behalf of the Board of Directors**

<b>Dharmil A. Bodani</b> Chairman and Managing Director  DIN: 00618333	<b>Satish Kumar Ray</b> Executive Director-Operations  DIN:07904910	<b>Ms. Amruda V Nair</b> Chairperson of CSR Committee meeting  DIN:06716791
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Place: Mumbai  
Date: 30<sup>th</sup> May, 2023

- (vi) All other relevant laws as are applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

We have also examined compliance with the applicable clauses of the following and report as under:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of board and general meetings;
- (ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the Company with the Stock Exchanges; 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 audit period are 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 seven days in advance except at one meeting, 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 the decisions were carried through, while there were no dissenting views of members as verified from the minutes.

**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.

For **Shreyans Jain & Co.**  
Company Secretaries  
Unique ID:S2011MH151000

Shreyans Jain  
(Proprietor)  
FCS No. 8519  
C.P. No. 9801  
UDIN: F008519E000426310  
PR NO.1118/2021

**Place:** Mumbai  
**Date:** 30.05.2023

**Note:** This report to be read with our letter of even date which is annexed as **Annexure -A** and forms part of this Report.

**Annexure A: the Secretarial Audit Report of Oriental Aromatics Limited for the year 31<sup>st</sup> March, 2023**

To,  
The Members,  
Oriental Aromatics Limited,

Our Secretarial Audit Report of even date is to be read along with this letter.

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

For **Shreyans Jain & Co.**  
Company Secretaries  
Unique ID:S2011MH151000

Shreyans Jain  
(Proprietor)  
FCS No. 8519  
C.P. No. 9801  
UDIN: F008519E000426310  
PR NO.1118/2021

**Place:** Mumbai  
**Date:** 30.05.2023

**ANNEXURE-D**

**CONSERVATION OF ENERGY MEASURES REQUIRED FOR ORIENTAL AROMATICS LIMITED**

**A. CONSERVATION OF ENERGY:**

**i. Steps taken or impact on conservation of energy:**

Your Company prioritizes the conservation of energy, natural resources, and biofuel as a central focus. We understand the pressing need to address the dual challenge our world faces today, meeting the growing demand for energy while also minimizing environmental impacts and the risks associated with climate change. To tackle this challenge, we have made consistent efforts to conserve energy, reduce greenhouse gas emissions, and upgrade our technology to optimize energy costs.

We have implemented energy efficiency improvement initiatives across all the units and offices by incorporating various measures to conserve energy and resources. We prioritize energy conservation measures by regularly reviewing energy generation, consumption, and exerting control over their utilization. Our commitment to these initiatives is a reflection of our dedication to responsible corporate practices and our understanding of the urgent need to protect our planet.

**The following key initiatives have been undertaken by your Company towards conservation of energy:**

- Conventional equipment with more energy efficient equipment in various process changes are made and replaced.
- Implementations of engineering controls to make process robust and safe process during operations.
- The process team of R&D works to decrease the batch time cycle of current processes thereby reducing energy consumption.
- Variable Frequency Drives (VFD) installation for vacuum pumps, reactors for energy saving.
- R&D team is constantly working on Green chemistry to modify current processes and to make OAL a green company.
- Working on reliable manufacturing synthesis, process innovation, development and safety.
- Process improvement for effluent reduction with an aim to make all our plants ZLD (zero liquid discharge) in the future.
- Installation of high efficiency (IE3-Internal Efficiency Standards) motors.
- Various process changes are made and replacement of certain conventional equipment with more energy efficient equipment. Plant and Machinery are regularly serviced, updated and overhauled and maintained in good condition.
- Installation of Distributed Control Systems (DCS) controls to make process efficient and control batch times.
- Working on increasing yield, purity as per customer requirement, following short manufacturing process having atom efficiency, helps to decrease consumption of energy and carbon utilization in the environment.
- Audit initiation of consumption of electrical energy, for making the strategy to consume less electricity.
- Installation of Electro Static Precipitator in place of Bag filter at 10 TPH Boiler.
- Streamlining of the manufacturing process and efficient control.
- Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting Power.

**ii. Steps taken by the Company for utilising alternate sources of energy:**

- Old steam jet ejectors will be replacing with oil vacuum pump to reduce effluent generation and consumption of water substantially. Improved operational methods and automation of lighting aimed to save consumption of power and fuel.
- New Sewage Treatment Plant/Agitated Thin Film Drier (STP/ATFD) under consideration for sustainability.
- Recycling of boiler & cooling tower blowdown through reverse osmosis (RO) plant is implemented thereby reducing hydraulic load on Effluent Treatment Plant (ETP).
- Process efficiency/performance improvement in many processes audited by Quality Assurance to reduce non-compliances & achieve customer satisfaction through conducting inspection & testing.
- The adoption of energy conservation measures indicated above have resulted in optimum efficiency in operation and saving & controlling in the cost of production.
- Green technology development is in process at pilot scale to commercial level for intermediates and finished products.

**iii. The capital investment on energy conservation equipment:**

5.80% of Capital Expenditure

**B. RESEARCH AND DEVELOPMENT (R&D) AND TECHNOLOGY ABSORPTION:**

**i. Efforts made towards (R&D) and Technology Absorption:**

- Our R&D facility in OAL is well equipped with latest infrastructure (laboratories), Literature resources, Instruments and Research technology which is necessary for research and new product development.
- Research and Development program works on reducing batch time cycle (BTC) of reaction, recycling of water, reusing recovered solvents and reducing effluent generation for products by 25-30%.
- OAL is focusing more on buying renewable sources e.g. GTO (gum turpentine oil) which is renewable and sustainable source rather than using CST based Alpha pinene.
- As we are commercializing new processes which are more efficient in terms of recycling by-products/Solvents as raw material
- We have also reduced cost of production of certain products by decreasing energy consumption in the range of 10-25%.
- It is the state-of-the-art synthesis lab dedicated to research on aroma chemicals having between 20-25 research associates, Head-space Gas Chromatography/Mass Spectrometry (GC-MS), Gas Liquid Chromatography (GLC), Digital Scanning Calorimetry Instruments (DSC), Short Path Distillation Unit (SPDU) and Sulphur analyser along with regular analytical set-up.
- R&D centre is also recognised by the Department of Scientific & Industrial Research (DSIR) of the Government of India.
- It has the facility to carry out high pressure reactions and has various lab scale fractionating columns for separation and adequate analytical facility like Gas Liquid Chromatography (GLC), GC-MS and other instruments to support the research work.

- It has well equipped bench scale laboratories to carry out various organic reactions like Aldol condensation, oxidation, reduction, hydrogenation, hydration, reactive distillation, acetylation, esterification, isomerization and many more in gm as well as in Kg scale.
- We also have well equipped Pilot scale laboratories to carry out various organic reaction validations and troubleshooting experiments of existing plant products.
- By doing quality research we improve the quality of product and decrease the cost of production.

ii. **Specific areas in which R&D carried out by the Company during the financial year 2022-23:**

The focused areas of the Company's R&D effort during 2022-23 include:

- Our R&D Centre has developed, modified number of new and existing molecules of Aroma Chemicals and have also commercialized some of the products in plant
- Recycling of Effluent in next batch thereby reducing the overall overall effluent generation in plant
- Reduction of effluent costs by working on the ETP and using green chemistry to avoid water consumption. These efforts have resulted in improving quality of the products and reducing their manufacturing cost and energy consumption.
- Improvement of yields of existing products and new products by new technologies like green chemistry and continuous process.
- Reducing costs of production by recycling solvents, changing the new route synthesis and molar ratios
- Effluent treatment done using bio culture and MVR (Mechanical Vapour Re-compression) technology which makes plant zero liquid discharge.

These efforts have resulted in improving quality of the products, reducing their manufacturing cost and energy consumption.

iii. **Benefits derived as a result of the above R&D:-**

- New products have been launched commercially in the plant which has resulted in the top line growth of the company.
- R&D efforts have also helped for improvement in new developed process, cost reduction, utility, batch time cycle and energy consumption.
- The process improvement efforts have resulted in higher outputs at the plant levels.
- R&D efforts have helped in developing new Aroma chemicals and product delivery systems. A crucial part of the development phase is also ensuring that the new products meet guidelines and any statutory requirements.
- Process efficiency has resulted in decreased downtime for maintenance activity. Efforts in green chemistry and sustainability are helping us towards our goal of creating "Green plants".
- Efforts in R&D have resulted in lower operating costs for the company.

iv. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL**

v. **Total Expenditure incurred on Research and Development:**

The total expenditure for R & D during the year under review is ₹ 1018.64 Lakh (Previous year ₹ 780.55 Lakh) of which ₹ 193.90 Lakh(previous year ₹ 52.26 Lakh) is towards capital expenditure and ₹ 824.74 Lakh (previous year ₹ 728.29 Lakh) is towards revenue expenditure.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

The Company continues to export its various products to Europe, USA and other countries. The quality of the products of the Company is well accepted in these markets.

	(₹ in Lakh)
Foreign Exchange Earned	31,269.54
Outgo of Foreign Exchange	30,082.54

**For and on behalf of the Board of Directors**

**Dharmil A. Bodani**

Chairman and Managing Director  
DIN: 00618333

**Satish Kumar Ray**

Executive Director -Operations  
DIN: 07904910

**Place:** Mumbai  
**Date:** 30.05.2023

**ANNEXURE- E**

**I. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

Sr. No.	Name of Director/KMP	Designation	% Increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Dharmil A. Bodani	Chairman and Managing Director	0	81.02
2	Mr. Shyamal A. Bodani	Executive Director	0	57.91
3	Mr. Satish Kumar Ray	Executive Director Operations	15%	7.88
4	Mr. Girish Khandelwal	Chief Financial Officer	15%	Not Applicable
5	Mrs. Kiranpreet Gill	Company Secretary	25%	Not Applicable
6	Mr. Parag Satoskar	Chief Executive Officer	25%	Not Applicable
7	Mrs. Anita Satoskar	Chief Research & Development Officer	25%	Not Applicable

- i) The median remuneration of employees of the Company during the financial year was ₹ 4.04 Lakh.
- ii) In the financial year, there was an increase of 11.48% in the median remuneration of employees;
- iii) There were 744 and 714 permanent employees including directors on the rolls of Company as on 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023 respectively.
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 6.32% whereas the percentile increase in the managerial remuneration for the same financial year was 3.80%.
- v) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**II. Disclosures in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr No	Name and Age of the Employee	Designation	Remuneration received (₹ in Lakh)	Qualification and Experience	Date of commencement of employee	Last Employment held	% of Equity Shares held and Relationship with other Director
1	Dharmil A. Bodani (53 years)	Chairman and Managing Director	325.10	<b>Qualification:</b> B.COM <b>Experience:</b> He has more than three decades of rich experience in fragrance, flavours and chemicals industry. He plays a key role in the growth of the Company with his expertise in Finance and General Management	22.08.2008	Erstwhile Oriental Aromatics Limited	37.08% <b>Relationship with other Director:</b> Brother of Mr. Shyamal A. Bodani
2	Shyamal A. Bodani (42 years)	Executive Director	234.08	<b>Qualification:</b> B.A. (Hons.) International Business Studies, London, U.K <b>Experience:</b> Mr. Shyamal A. Bodani, Executive Director of the Company has close to two decades of experience. He undertakes local as well as overseas marketing sales and export promotion etc. and is actively involved in financial activities of the Company	22.08.2008	Erstwhile Oriental Aromatics Limited	37.08% <b>Relationship with other Director:</b> Brother of Mr. Dharmil A. Bodani
3.	Parag K. Satoskar (50 years)	Chief Executive Officer	122.24	<b>Qualification:</b> B Pharmaceutical from Institute of Chemical Technology <b>Experience:</b> Mr. Parag Satoskar has rich experience of more than 2 decades in chemical, fragrance and flavor industry. His techno commercial background enables him to play a key role in executing strategies at Oriental Aromatics. He is responsible for overall management of the functioning of all divisions. Sustainability and implementing the right processes are the two key areas in his scope to ensure that the Company keeps achieving its growth targets. He has also specialized in marketing function for all divisions	25.11.2015	Arofine Chemicals Industry	21 shares (0%) <b>Relationship with other Director:</b> NA

**Note:** The nature of employment of Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani is contractual

**For and on behalf of Board of Directors**

<b>Place:</b> Mumbai	<b>Dharmil A. Bodani</b> Chairman and Managing Director DIN: 00618333	<b>Satish Kumar Ray</b> Executive Director-Operations DIN:07904910
<b>Date:</b> 30.05.2023		

## CORPORATE GOVERNANCE REPORT

The Board of Directors present the Company's Report on Corporate Governance for the Financial Year (FY) 22-23 as hereunder, pursuant to the provisions of Regulation 34(3) read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and other provisions as may be applicable.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Our corporate governance philosophy drives our business strategies, ensuring fiscal accountability, ethical behavior, and fairness to all stakeholders. It is a key driver of sustainable growth, value creation, and trust. Upholding core values of transparency, integrity, and accountability, we prioritize good corporate governance in a fiercely competitive business environment.

Your Company confirms the compliance of various provisions relating to Corporate Governance stipulated in Listing Regulations, the details of which are given below:

### 2. BOARD OF DIRECTORS:

#### 2.1 Appointment and Tenure:

The Directors of the Company are appointed by the Shareholders at General Meetings. At every Annual General Meeting, 1/3rd of Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Companies Act, 2013. Independent Directors are not liable to retire by rotation. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

#### 2.2 Composition of Board of Directors and attendance record of each Director:

The Company has an optimum mix of Executive and Non-Executive Independent Directors including woman director. All the members of the Board are competent and are persons of repute with strength of character, professional eminence, having the expertise in their respective disciplines to deal with the management functions of the company.

As on 31<sup>st</sup> March 2023, the Company's Board consists of 7 (Seven) Directors out of which 4 (Four) Directors are Non-Executive Independent Directors and 3 (Three) are Executive Directors including 1(One) Chairman who is also the Managing Director.

The composition of the Board of Directors of the Company is in conformity with Regulation 17 of Listing Regulations.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended 31<sup>st</sup> March, 2023 and the last Annual General Meeting (AGM), and the details of their other Directorships, and Committee Chairmanships and Memberships are given below:

Name of Directors	Category	Position/ Designation	Attendance at meetings during FY 2022-23		*Other Directorships in Indian Companies as on 31.03.2023	**Committee Membership(s) / Chairmanship(s) in all Companies as on 31.03.2023	
			Board Meetings	50th AGM held on 27 <sup>th</sup> July, 2022		Memberships	Chairmanships
Mr. Dharmil A. Bodani (DIN:00618333)	Promoter/ Executive Director	Chairman and Managing Director	4	Yes	2	3	0
Mr. Shyamal A. Bodani (DIN:00617950)		Executive Director	5	Yes	1	0	0

Name of Directors	Category	Position/ Designation	Attendance at meetings during FY 2022-23		*Other Directorships in Indian Companies as on 31.03.2023	**Committee Membership(s) / Chairmanship(s) in all Companies as on 31.03.2023	
			Board Meetings	50th AGM held on 27 <sup>th</sup> July, 2022		Memberships	Chairmanships
#Mr. Bhadreshkumar Pandya (DIN:08809906)	Executive Director	Executive Director-Operations	1	Yes	NA	NA	NA
Mr. Satish Kumar Ray (DIN:07904910)		Executive Director-Operations	4	Yes	0	0	0
Mr. Harshvardhan A. Piramal (DIN:00044972)	Non-Executive Independent Director	Director	5	Yes	2	4	2
Mr. Prakash V. Mehta (DIN:00001366)		Director	5	Yes	5	8	3
Mr. Ranjit A. Puranik (DIN:00199353)		Director	5	Yes	1	3	1
Ms. Amruda V. Nair (DIN:06716791)		Director	5	Yes	2	3	0

- \*Directorships held by directors as mentioned above, excludes directorship in Oriental Aromatics Limited and also excludes directorship in Private Limited Companies, overseas companies and section 8 companies.
- \*\*Committees considered are Audit Committee and Stakeholder Relationship Committee, including committees of Oriental Aromatics Limited, Committee memberships also include the Chairmanships.
- Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani are brothers. None of the other directors are related to each other.
- The number of Directorship(s), committee membership(s)/chairmanship(s) of all Directors is/are within the respective limits prescribed under the Companies Act, 2013 and Listing Regulations.
- Details of Directors(s) retiring or being re-appointed are given in Notice to Annual General Meeting

#### Change in Directorate:

# Mr. Bhadreshkumar Pandya (DIN:08809906) Executive Director-Operations of the Company stepped down from the post of directorship due to personal reasons and his resignation was effective from 15<sup>th</sup> August, 2022. The Board in its meeting held on 01<sup>st</sup> August, 2022 took note of the same and placed on record its appreciation for the contributions made by him during his tenure as a director.

#### 2.3 Details of Directorships in other listed Companies:

Sr. No.	Name of Directors	Name of the Listed Companies	Category of Directorship
1.	Mr. Dharmil A. Bodani	TCFC Finance Limited	Non-Executive Director
2.	Mr. Shyamal A. Bodani	NIL	-
3.	Mr. Bhadreshkumar A. Pandya	NIL	-
4.	Mr. Satish Kumar Ray	NIL	-
5.	Mr. Harshvardhan A. Piramal	Morarjee Textiles Limited	Promoter/Executive Director



Sr. No.	Name of Directors	Name of the Listed Companies	Category of Directorship
6.	Mr. Prakash V. Mehta	Advani Hotels & Resorts (India) Ltd.	Non-Executive/ Independent
		Bharat Bijlee Ltd.	Non-Executive/Independent
		Hikal Ltd.	Non-Executive/Independent
		Mukund Ltd.	Non-Executive/Independent
7.	Mr. Ranjit A. Puranik	NIL	-
	Ms. Amruda V. Nair	HLV LTD	Non-Executive /Non-Independent

#### 2.4 Details of Skills/expertise/competence of the Board of Directors

- The Board has recognized the significance of various core skills, expertise, and competencies relevant to our business and sector. These encompass a wide range of areas including Business Development, Marketing and Communication, Engineering and Technical expertise, Finance and Accounting, Legal knowledge, Corporate Management, Strategic Management, Product Development, Administration, and Advisory skills. This diverse set of capabilities enables us to effectively navigate and excel in our industry, ensuring comprehensive and well-rounded decision-making.
- The following are the skill set with reference to its business and industry that are available with the Board:

Name of the Director	Expertise in specific Functional Area
Mr. Dharmil A. Bodani	Business Strategy, Corporate Management, Marketing, Finance and Technical skills in product selection on the chemical side of the business and creativity in Fragrance and flavour side of the business.
Mr. Shyamal A. Bodani	Strategy Management, Effective Marketing and Communication skills, General Corporate Management
Mr. Satish Kumar Ray	Policy Formulation, Advisory, Planning, and Executive Task related to HR, Commercial, Purchase, Store, Sales, Supply Chain, Tax related matters etc.
Mr. Harshvardhan A. Piramal	Entrepreneur, Business Development, Finance and Accounting, Technical, Administration and Advisory skills
Mr. Ranjit A. Puranik	Entrepreneur, Business Management, Financial, Technical, Marketing and Advisory skills
Mr. Prakash V. Mehta	Legal, Advocacy skills, Expertise in Joint Ventures & Foreign Collaborations and various Corporate Laws
Ms. Amruda V. Nair	Designing and Brand Programming, Business development, Finance and Accounting, Administration and Advisory skills

#### 2.5 Board Meetings:

During Financial year 2022-23, five Board Meetings were held and the gap between two meetings did not exceed 120 days. Board Meetings were held on 10<sup>th</sup> May, 2022, 01<sup>st</sup> August, 2022, 07<sup>th</sup> September, 2022, 09<sup>th</sup> November, 2022, and 13<sup>th</sup> February, 2023.

#### 2.6 Independent Directors:

The Nomination and Remuneration Committee diligently identifies individuals with exceptional expertise and independent standing in their respective fields to serve as Independent Directors on the Board. These individuals possess the qualifications, positive attributes, and area-specific expertise that are deemed necessary to contribute effectively to the Company's business and policy decisions. The Committee also takes into account the number of directorships and committee memberships held by these individuals in other companies. The Board carefully considers the Committee's recommendations and makes appropriate decisions regarding the appointment of Non-Executive Independent Directors. These Directors bring valuable experience and specialization in diverse fields, including legal, finance, and administration, enhancing the Board's overall capabilities.

During the FY 2022-23, the Company has received declarations on criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Confirmations under Regulation 16(1)(b) of Listing Regulations pursuant to amendment in the SEBI (LODR) Regulations, 2015 vide SEBI Circular dated 09<sup>th</sup> May, 2018, from the directors who have been classified as Independent Directors as on 31<sup>st</sup> March, 2023. In the opinion of the Board, all Independent Directors meet the criteria of Independence as laid down under Section 149(6) of the Companies Act 2013 and regulation 16(1) (b) of Listing Regulations, as amended from time to time and they are independent of management.

#### a. Number of Independent Directorships:

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

#### b. Separate Meeting of Independent Directors:

During the year under review, the independent Directors met on 17<sup>th</sup> March, 2023, inter alia to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timeliness of the flow of information between the Management and the Board of Directors that is necessary for the Board to effectively and reasonably perform the duties.

The Meeting was attended by all the Independent Directors.

#### c. Formal Letter of Appointment to the Independent Directors:

The Company has issued formal letters of appointment to all the Independent Directors on their appointment explaining inter- alia, their roles, responsibilities, code of conduct, functions and duties as Directors of the Company. The terms and conditions of appointment of Independent Directors have been posted on the website of the Company i.e. [www.orientalaromatics.com](http://www.orientalaromatics.com) and the weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/terms-of-appointment-of-independent-directors.pdf>

#### d. Familiarisation Programme for Independent Directors:

The Company has set a comprehensive Familiarization Programme specifically designed for Independent Directors. This programme is structured to acquaint them with their roles, rights, and responsibilities within the Company. It also provides valuable insights into the industry dynamics, the Company's business model, and other relevant aspects. By participating in this programme, Independent Directors gain a thorough understanding of their duties and are better equipped to contribute effectively to the Company's governance and strategic decision-making processes.

The details of the Familiarisation Programme for Independent Directors are posted on the website of the Company i.e. [www.orientalaromatics.com](http://www.orientalaromatics.com/familiarisation-programme/FamiliarizationFY2022-23.pdf) and the weblink thereto is <http://www.orientalaromatics.com/familiarisation-programme/FamiliarizationFY2022-23.pdf>

Details of Familiarization Programme imparted to independent directors during the FY 2022-23 are as below:

**Date on which Familiarization programme was held:** 24<sup>th</sup> March, 2023

**Areas covered:** The Company provided comprehensive briefings to Independent Directors on various aspects, including Business Strategy and the socio-economic environment, Financial Performance and

Upcoming Projects, Key Research & Development initiatives, Factory Operations, and notable Company developments. These briefings ensured that Independent Directors are well-informed about critical areas and could actively contribute to the Company's growth and decision-making processes.

**Details of attendance of Independent Directors in Familiarisation Programme:**

Sr No	Name of Independent Director	No. of programmes attended (during the year and on a cumulative basis till date)		No. of hours spent FY 2022-23 (during the year and on a cumulative basis till date)	
		During the year	Cumulative basis till date	During the year	Cumulative basis till date
1.	Mr. Prakash V. Mehta	1	3	1	3
2.	Mr. Harshvardhan A. Piramal	0	3	0	3
3.	Mr. Ranjit A. Puranik	1	4	1	4
4.	Ms. Amruda V. Nair	1	4	1	4

**2.7 Shareholding of Directors:**

The details of shares held by Directors as on 31st March, 2023 are as under:

Name	Number of shares held	% age of total Shareholding
Mr. Shyamal A. Bodani	12480000	37.08
Mr. Dharmil A. Bodani	12478752	37.08

None of the other Directors holds any shares in the Company as on 31st March, 2023.

**2.8 Code of Conduct:**

The Company has framed a code of conduct for the Non-Executive Directors, Executive Directors and Senior Management Personnel of the Company which is posted on website of the Company i.e [www.orientalaromatics.com](http://www.orientalaromatics.com). All the Board Members and Senior Management of the Company have affirmed compliance with the code of conduct for the financial year ended 31st March, 2023. A declaration to this effect, duly signed by Mr. Parag Satoskar, Chief Executive Officer is annexed hereto.

**2.9 Board meetings, Committee meetings and Procedures:**

**a. Decision making process:**

The Board of Directors plays a crucial role in overseeing the Company's operations. It is responsible for setting and evaluating the strategic direction of the Company, assessing the effectiveness of management policies, and ensuring that the best interests of stakeholders are prioritized in the long term.

The Board has constituted several Committees such as Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Finance Committee, Share Transfer Committee etc.

**b. Scheduling of Board Meetings:**

A minimum of four Board Meetings are held every year. Additional meetings are held to meet business exigencies or urgent matters, and where permitted, resolutions are passed by circulation.

Dates for the Board Meetings in the ensuing year are decided well in advance.

**c. Distribution of Board Agenda along with notes:**

The Agenda, along with the explanatory notes, including information as specified in Part A of Schedule II to the Listing Regulations, is circulated to the Directors in advance for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to circulate any document in advance, the same is tabled before the meeting with permission of the Chairman. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

**d. Recording Minutes of proceedings of meetings:**

Draft minutes are prepared, circulated to all the Directors for their comments, finalized and entered in the Minutes Book by the Company Secretary and, thereafter, signed by the Chairman, in accordance with the applicable Secretarial Standard.

**3. COMMITTEES**

As mandated by the Companies Act, 2013 (the Act) and Listing Regulations, the Company has constituted an Audit Committee, a Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee. The functioning of these Committees is regulated by the mandatory terms of reference, roles and responsibilities and powers. The Minutes of the meetings of all these Committees are placed before the Board for noting.

**3.1 AUDIT COMMITTEE:**

The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors.

**a. Composition of the Committee:**

The Audit Committee comprises of 5 members, Mr. Harshvardhan A. Piramal, Mr. Prakash V. Mehta, Mr. Ranjit A. Puranik, and Ms. Amruda V. Nair, Non- Executive Independent Directors and Mr. Dharmil A. Bodani, Executive Director. Mr. Harshvardhan A. Piramal is the Chairman of the Audit Committee.

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members possess adequate knowledge of Accounts, Audit, and Finance etc.

**b. Terms of Reference:**

The terms of reference of the Committee, inter alia covers the matters specified under Regulation 18 of Listing Regulations as amended from time to time as well as specified in Section 177 of the Companies Act, 2013 read along with rules made thereunder. The Broad terms of reference of Audit Committee inter alia are:

- i. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval
- v. monitoring the end use of funds raised through public offers and related matters
- vi. approval or any subsequent modification of transactions of the listed entity with related parties
- vii. scrutiny of inter-corporate loans and investments
- viii. valuation of undertakings or assets of the listed entity, wherever it is necessary
- ix. evaluation of internal financial controls and risk management systems
- x. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- xi. to review the functioning of the whistle blower mechanism
- xii. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate

xiii. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

xiv. Carrying out any other function as is mentioned in the terms of reference of the audit committee. In addition the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the Listing Regulations and Section 177 of the Companies Act, 2013.

**c. Meeting Details:**

During the year under review the Committee met four times i.e. on 10<sup>th</sup> May, 2022, 01<sup>st</sup> August, 2022, 09<sup>th</sup> November, 2022, and 13<sup>th</sup> February, 2023.

Necessary quorum was present at the meetings. The details of the attendance of Committee Members at the aforesaid meetings are as follows:

Name of Director	Category	No of Audit Committee Meetings Attended out of 4 held
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	4
Mr. Prakash V. Mehta	Non-Executive Independent Director	4
Mr. Ranjit A. Puranik	Non-Executive Independent Director	3
Ms. Amruda V. Nair	Non-Executive Independent Director	4
Mr. Dharmil A. Bodani	Executive Director	3

The Audit Committee invites such of the executives as it considers appropriate (particularly head of finance) to be present at its meetings. The statutory auditors are also invited to the meetings. The Company Secretary acts as a Secretary to the Committee.

**3.2 NOMINATION & REMUNERATION COMMITTEE:**

**a. Composition of the Committee:**

The Nomination and Remuneration Committee comprises of Mr. Harshvardhan A. Piramal, Mr. Prakash V. Mehta and Mr. Ranjit A. Puranik, Non -Executive Independent Directors. Mr. Harshvardhan A. Piramal is the Chairman of Committee.

The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

**b. Terms of Reference:**

The Broad terms of reference of the Committee inter alia, include the following:

- i. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board, policy relating to the remuneration of the Directors, key managerial personnel and other employees;
- ii. To formulate the criteria for evaluation of performance of Independent Directors and the Board;
- iii. To devise a policy on Board diversity;
- iv. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

vi. To recommend to the Board all remuneration payable to the senior management.

In addition the powers and role of the Nomination and Remuneration Committee are as laid down under Regulation 19 and Schedule II Part D of the Listing Regulations and Section 178 of the Companies Act, 2013.

**c. Meeting Details:**

During the year, under review the Committee met thrice on 10<sup>th</sup> May, 2022, 07<sup>th</sup> September, 2022, and 13<sup>th</sup> February, 2023. Necessary quorum was present at the meeting. All the committee members attended the meeting.

**d. Details of Remuneration paid to all Directors:**

Remuneration payable to all the Directors is considered and is recommended by the Nomination and Remuneration Committee and is approved by the Board within the ceiling fixed by the members. The Nomination and remuneration policy of the Company as approved by the Board of Directors of the Company is uploaded on website of the Company i.e. [www.orientalaromatics.com](http://www.orientalaromatics.com). Non- executive Directors are paid sitting fees for attending each of the meetings of the Board and its Committee(s) as per the provisions of the Companies Act, 2013 and the rules framed thereunder.

The details of Remuneration paid to the Directors during the Financial Year 2022-23 was as under:

**i. Payment to Executive Directors**

Payment of remuneration to the Executive Director is governed by the terms of appointment approved by the Board of Directors and the Members in terms of Sec 197, 198 and Schedule V to the Companies Act, 2013. Details of remuneration and perquisites paid to the Managing Director and Executive Directors for FY 2022-23 and their tenure are as follows:

(Amount in ₹)					
Name	Position	Salary	Perquisites/ allowances and other contributions	Total	Tenure
Mr. Dharmil A. Bodani	Chairman & Managing Director	2,96,70,000	28,60,918	3,25,30,918	5 years (till 21.08.2023)
Mr. Shyamal A. Bodani	Executive Director	2,34,08,004		2,34,08,004	5 years (till 21.08.2023)
Mr. Bhadreshkumar A. Pandya	Executive Director-Operations	15,16,090		15,16,090	Resigned w.e.f. 15.08.2023
Mr. Satish Kumar Ray	Executive Director-Operations	29,33,514		29,33,514	5 years (till 15.08.2027)

**ii. Payment to Non- Executive Directors**

Non-Executive Directors are not paid remuneration in any form whether by way of commission or otherwise. They are paid only sitting fees for each meeting attended by them. The fees paid to Non- Executive Directors for the year ended 31st March, 2023 is as under:

Name of Directors	Sitting Fees (₹ in Lakh)
Mr. Harshvardhan A. Piramal	6.84
Mr. Prakash V. Mehta	6.60
Mr. Ranjit A. Puranik	5.88
Ms. Amruda Nair	6.24
<b>TOTAL</b>	<b>25.56</b>

**e. Performance Evaluation**

In terms of the provisions of the Companies Act, 2013 and Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board functioning like composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board in its meeting held on 13<sup>th</sup> February, 2023 pursuant to the provisions of the Companies Act, 2013 and Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

Accordingly, the performance evaluation of board and committees was evaluated by the Board after seeking all inputs from all the directors on the basis of criteria such as Composition, structure, effectiveness and functioning of the Board and its respective Committees.

The evaluation of every Director's performance was carried out by the entire Board excluding the director being evaluated in the Board Meeting held on 13<sup>th</sup> February, 2023.

In the separate meeting of Independent Directors held on 17<sup>th</sup> March, 2023, performance evaluation of the Chairperson and the Non-Independent Directors and Board as a whole was carried out taking into account views of executive and non- executive directors.

**3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**a. Composition of the Committee:**

The Stakeholders Relationship Committee comprises of Mr. Harshvardhan A. Piramal, Mr. Ranjit A. Puranik, Non -Executive Independent Directors and Mr. Dharmil A. Bodani- Managing Director. Mr. Harshvardhan A. Piramal is the Chairman of Committee.

The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

**b. Terms of Reference:**

- i.** To resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc
- ii.** To Review of measures taken for effective exercise of voting rights by shareholders.
- iii.** To Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- iv.** To Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

The terms of reference of the Committee have been aligned to Section 178 of Companies Act, 2013 and Regulation 20 and Schedule II Part D of the Listing Regulations.

**c. Meeting Details:**

During the year under review, the Committee met once on 01<sup>st</sup> August, 2022. Necessary quorum was present at the meetings. All the committee members attended the meeting.

**d. Name and Designation of the Compliance Officer:**

Ms. Kiranpreet Gill, Company Secretary is the Compliance Officer of the Company as required under Regulation 6 of the Listing Regulations.

**e. Investor Grievance Redressal:**

The Company had no investor complaint pending at the beginning of the year and had received 9 complaints during the year. All the 9 complaints were resolved during the year and no complaints remained unresolved at the end of the year.

Number of Investor Complaints unresolved at the beginning of the year	0
Number of Investor Complaints received during the year	9
Number of Investor Complaints resolved during the year	9
Number of pending Investor Complaints	0

The investors can register their complaints electronically by sending an email at the e-mail id [cs@orientalaromatics.com](mailto:cs@orientalaromatics.com).

**3.4 RISK MANAGEMENT COMMITTEE:**

**a. Composition of Committee:**

The Risk Management Committee comprises of Mr. Prakash Mehta - Non -Executive Independent Directors, Mr. Shyamal A. Bodani- Executive Director and Mr. Parag K. Satoskar - Chief Executive Officer. Mr. Prakash Mehta is the Chairman of the Committee. The composition of this Committee is in compliance to Regulation 21(4) and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b. Terms of Reference:**

The Broad terms of reference of the Committee inter alia, include the following:

- i.** To formulate a detailed risk management policy
- ii.** To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii.** To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv.** To periodically review the risk management policy.
- v.** To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

In addition the powers and role of the Risk Management Committee are as laid down under Regulation 21 and Schedule II Part D of the Listing Regulations.

**c. Meeting Details:**

During the year under review, the Committee met twice on 07<sup>th</sup> September, 2022 and 13<sup>th</sup> February, 2023. Necessary quorum was present at the meeting. The details of the attendance of Committee Members at the aforesaid meetings are as follows:

Name of Director	Category	No of Committee Meetings Attended out of 2 held
Mr. Prakash Mehta	Non-Executive Independent Director	2
Mr. Shyamal A. Bodani	Executive Director	2
Mr. Parag K. Satoskar	Chief Executive Officer	0

**3.5 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

**a. Composition of the Committee:**

The Corporate Social Responsibility Committee comprises of Mr. Harshvardhan A. Piramal, Ms. Amruda V. Nair, Non -Executive Independent Directors and Mr. Shyamal A. Bodani- Executive Director who is also the Chairman of the Committee.

The composition of the Committee is in compliance with Section 135 of the Companies Act, 2013.

**b. Terms of Reference:**

The Corporate Social Responsibility formulates and recommends to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

The Committee also recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.

The committee is also responsible for decision making on business responsibility and sustainability related issues.

The terms of reference of the Corporate Social Responsibility Committee are in alignment with Section 135 of the Companies Act, 2013, and include implementation and monitoring of CSR activities.

**c. Meeting Details:**

During the year under review, the Committee met three times on 10<sup>th</sup> May, 2022, 01<sup>st</sup> August, 2022 and 13<sup>th</sup> February, 2023. Necessary quorum was present at the meeting. The details of the attendance of Committee Members at the aforesaid meetings are as follows:

Name of Director	Category	No of Committee Meetings Attended out of 3 held
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	3
Ms. Amruda V. Nair	Non-Executive Independent Director	2
Mr. Shyamal A. Bodani	Executive Director	3

**4. GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under:

AGM (Year)	Day, Date & Time	Venue	Particulars of Special Resolutions passed thereto
48 <sup>th</sup> AGM (2020)	Tuesday, 15 <sup>th</sup> September, 2020 At 11:00 A.M	Held via Video Conferencing; Deemed Venue: 133, Jehangir Building, 2 <sup>nd</sup> Floor, M.G. Road, Fort, Mumbai-400001.	No Special Resolution was passed in this Meeting.
49 <sup>th</sup> AGM (2021)	Tuesday, 27 <sup>th</sup> July, 2021 At 11:00 A.M	Held via Video Conferencing; Deemed Venue: 133, Jehangir Building, 2 <sup>nd</sup> Floor, M.G. Road, Fort, Mumbai-400001	1. To revise the terms of appointment of Mr. Dharmil A. Bodani, Managing Director. 2. To revise the terms of appointment of Mr. Shyamal A. Bodani, Executive Director.
50 <sup>th</sup> AGM (2022)	Tuesday, 27 <sup>th</sup> July, 2022 At 11:00 A.M	Held via Video Conferencing; Deemed Venue: 133, Jehangir Building, 2 <sup>nd</sup> Floor, M.G. Road, Fort, Mumbai-400001	No Special Resolution was passed in this Meeting.

**POSTAL BALLOT:**

**Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:**

The Postal Ballot was carried out as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, each as amended, and in accordance with

the requirements prescribed by the Ministry of Corporate Affairs vide its General Circulars dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 8, 2021, May 5, 2022 and December 28, 2022.

The Company had appointed CS Shreyans Jain of M/s Shreyans Jain & Co., Practicing Company Secretary, Mumbai (Membership No, FCS 8519) as Scrutinizer.

**Following Resolutions were passed as special resolutions through postal ballot during the year 2022-23:**

Sr No	Resolutions	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
1	Approval of payment of remuneration to Mr. Dharmil A. Bodani, Managing Director.	2,55,47,313	99.98	3,670	0.01
2	Approval of payment of remuneration to Mr. Shyamal A. Bodani, Executive Director.	2,55,46,985	99.98	3,998	0.01
3	Approval of payment of remuneration to Mr. Satishkumar Ray, Executive Director-Operations.	2,55,48,046	99.98	2,937	0.01

**Procedure of Postal ballot:**

- The postal ballot Notice along with the Explanatory Statement was sent only through electronic mode on 16<sup>th</sup> February, 2023 to all those members whose e-mail ids were registered with the Company/ Depository Participant;
- Facility of e-voting was provided to all the members of the Company pursuant to the provisions of the Companies Act, 2013 through electronic platform of National Securities Depository Limited (NSDL).
- The remote e-voting period commenced at 9:00 am on 17<sup>th</sup> February, 2023 and concluded at 5:00 pm on 18<sup>th</sup> March, 2023;
- The report on the result of the postal ballot through remote e-voting for approving aforementioned resolutions was provided by the Scrutiniser on 20<sup>th</sup> March, 2023.
- The results of Postal Ballot are also displayed on the Company's website, [www.orientalaromatics.com](http://www.orientalaromatics.com) besides being communicated to the stock exchange and depository.

**Details of special resolution proposed to be conducted through postal ballot:**

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Annual Report.

**5. MEANS OF COMMUNICATION:**

- Quarterly/Annual Financial Results:** The Quarterly and Annual Financial Results of the Company are filed with the Stock Exchanges immediately after they are approved by the Board.
- News Releases:** The Quarterly / Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in Financial Express (English edition) & Loksatta (Marathi edition) in Mumbai. In addition to that, the Company also publishes notices, as required or mandated by SEBI/ MCA Circulars.
- Website:** The Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com) contains a separate dedicated section "Investor Relations" where latest Shareholders information is available. The Quarterly/ Annual Results and official news releases are posted on the website in compliance with regulation 46 of Listing Regulations.
- Stock Exchange Intimations:** All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Company electronically files data such as Shareholding Pattern, Corporate Governance Report, Quarterly and Audited Annual Financial results, Corporate Announcements etc. on the BSE online portal, viz [www.listing.bseindia.com](http://www.listing.bseindia.com) and NSE online portal, viz. <https://neaps.nseindia.com/NEWLISTINGCORP/> within the time frame prescribed in this regard.

- e. Annual Report:** The Annual Report containing, inter alia, Audited Financial Statements, Directors' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report and Business Responsibility Report forms part of the Annual Report. The Annual Report is also available on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com)
- f. Analyst/Investor Meets :** The Managing Director, CEO and Chief Financial Officer hold quarterly briefs with analysts and shareholders where the Company's performance is discussed. The presentations made to the institutional investors and analysts, audio/video recording and transcript of the calls with analysts for quarterly/half-yearly/annual results are available on the Company's website at [www.orientalaromatics.com](http://www.orientalaromatics.com) and uploaded on the website of NSE & BSE.
- g. Letter & Reminders to Shareholders:** Pursuant to the provisions of the Act, the Company sends reminder letters to those shareholders whose unclaimed dividend/shares are liable to be transferred to the Investor Education and Protection Fund (IEPF) account. The Company has uploaded the names of the Members and the details of the unclaimed dividend by the Members on its website. Other Letters & Reminders are also communicated to the shareholders for various matters like updating their KYC, PAN, Email addresses, Updation of bank account and other details for dividend payment and TDS etc.

#### 6. GENERAL SHAREHOLDER INFORMATION:

- a. 51<sup>st</sup> Annual General Meeting** : **Day, Date, Time and Venue**  
Thursday, 17<sup>th</sup> August, 2023 at 11:00 a.m.  
In accordance with the General Circulars issued by the MCA, the AGM will be held through VC/OAVM only
- b. Tentative Financial Calendar** : **1<sup>st</sup> April, 2023 – 31<sup>st</sup> March, 2024**  
**Financial Year** :  
**Approval of Quarterly results for the quarter ending** :  
**June, 2023** : 1<sup>st</sup> /2<sup>nd</sup> Week of August, 2023  
**September, 2023** : 1<sup>st</sup> /2<sup>nd</sup> Week of November, 2023  
**December, 2023** : 1<sup>st</sup> /2<sup>nd</sup> Week of February, 2024  
**March, 2024** : 1<sup>st</sup> /2<sup>nd</sup> Week of May, 2024  
Note: The above dates are indicative.
- c. Date of Book closure / Record date** : Friday, 04<sup>th</sup> August, 2023 to Thursday, 17<sup>th</sup> August, 2023 (both days inclusive)
- d. Dividend payment date** : On or after Tuesday, 22<sup>nd</sup> August, 2023, if declared by the Members at the AGM
- e. Listed on** : **BSE Limited (BSE),**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.  
**National Stock Exchange of India Ltd (NSE),**  
Exchange Plaza, BandraKurla Complex, Bandra (East), Mumbai – 400051  
The Company has duly paid the Annual Listing Fees to the respective Stock Exchanges for the year 2023-2024.

- f. Stock/Scrip Code/Symbol on BSE/NSE:** BSE: Scrip Code: 500078  
NSE: SYMBOL: OAL
- g. ISIN** : INE959C01023
- h. Company Registration No. with ROC/ Ministry of Corporate Affairs (MCA)** : L17299MH1972PLC285731
- i. Registrar and Transfer Agents** : M/s Link Intime India Pvt. Ltd.  
**Corporate Office:**  
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083  
**Tel:** 022-49186270  
**Fax:** 022-49186060  
**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)  
**Email :** [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
- j. Dematerialization of shares** : Out of 3,36,53,576 shares, 3,27,76,638 Shares equivalent to 97.39 % of the paid up capital of the Company have been dematerialised till 31<sup>st</sup> March, 2023. The details are as under:

	No of shares	% of Share Capital
<b>CDSL</b>	35,58,100	10.57%
<b>NSDL</b>	2,92,18,538	86.82%
<b>Physical</b>	8,76,938	2.61%
<b>Total</b>	3,36,53,576	100.00%

- k. Outstanding ADRs/ GDRs** : The Company has not issued any ADRs/GDRs
- l. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities :** During the year 2022-2023, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 38(ii) to the Annual Accounts.
- m. Plant Location** :  
i. Ambernath  
Plot No. M-5, MIDC, Additional Ambernath Ind Area, Village - Jambhivli, Ambernath (E), Dist.- Thane 421 506, India.  
ii. Bareilly  
P.O. Clutterbuckganj, Bareilly (U.P.) 243502, India.  
iii. Vadodara  
Plot No. 3, GIDC Ind. Estate, Nandesari, Vadodara (Gujarat) 391 340, India.  
iv. R&D Lab- Chandivali  
Unit No. 301, 302 & 303, G Wing, Tex Centre, Chandivali Farm Road, Chandivali, Andheri (E), Mumbai- 400072,

v. Mahad (Unit of Oriental Aromatics & Sons Limited)  
Plot No. FS-43 & 37, Additional MIDC, Mahad,  
Raigad-402309, Maharashtra.

- n. **Address for correspondence** : **Registered Office:** 133, Jehangir Building, 2nd Floor, Mahatma Gandhi Road, Fort, Mumbai- 400 001.
- o. **Compliance Officer** : Ms. Kiranpreet Gill,  
Company Secretary & Compliance Officer  
**Tel:** +91 22 43214000/4064  
**Email:** cs@orientalaromatics.com

p. **Stock Price Data :**

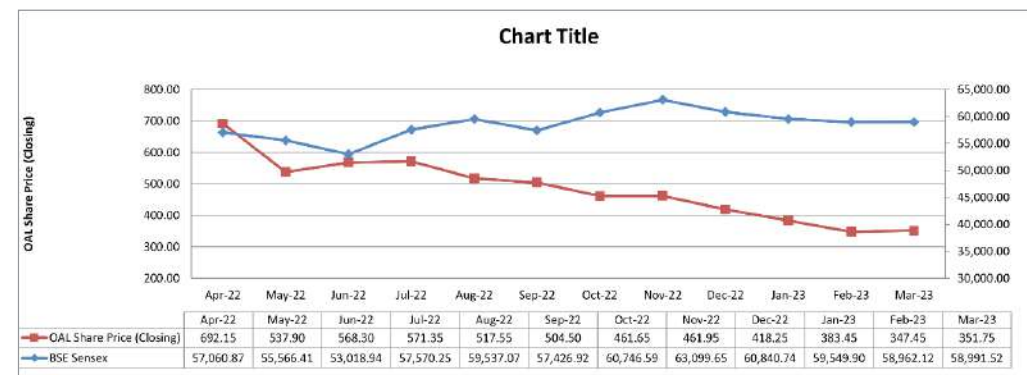
High, low Market Price on BSE and NSE during each month in the last financial year in comparison with BSE Sensex and Nifty respectively is as follows:

High/Low during the financial year 2022-23

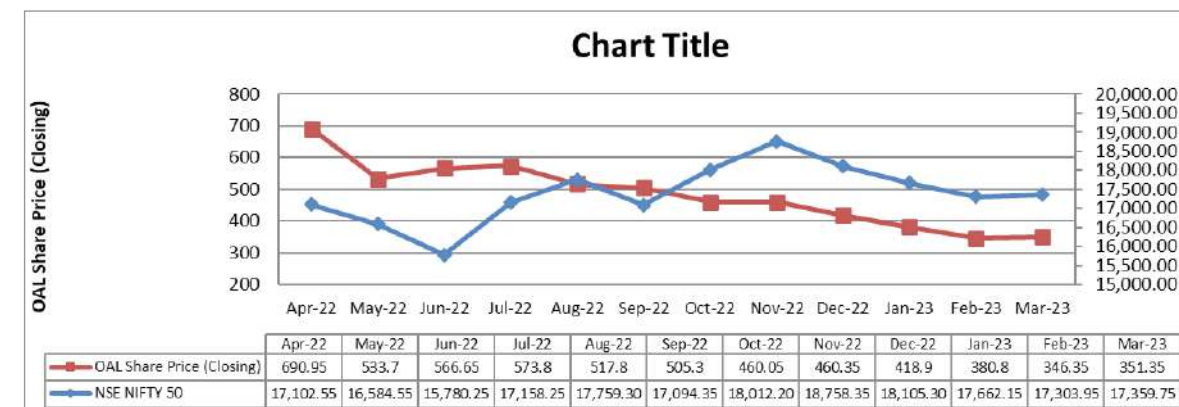
Month	OAL Share Price (₹) on BSE			BSE Sensex (Closing)	OAL Share Price (₹) on NSE			Nifty (Closing)
	High	Low	Close		High	Low	Close	
Apr-22	750.00	665.00	692.15	57,060.87	734.90	666.05	690.95	17,102.55
May-22	723.00	502.00	537.90	55,566.41	699.00	500.70	533.70	16,584.55
Jun-22	648.00	501.50	568.30	53,018.94	619.00	505.00	566.65	15,780.25
Jul-22	624.80	540.00	571.35	57,570.25	622.05	537.35	573.80	17,158.25
Aug-22	573.55	489.70	517.55	59,537.07	573.00	505.00	517.80	17,759.30
Sep-22	611.60	491.60	504.50	57,426.92	624.40	490.45	505.30	17,094.35
Oct-22	516.80	445.55	461.65	60,746.59	515.00	451.00	460.05	18,012.20
Nov-22	517.00	443.95	461.95	63,099.65	523.80	445.05	460.35	18,758.35
Dec-22	470.00	370.00	418.25	60,840.74	469.00	397.10	418.90	18,105.30
Jan-23	432.00	361.10	383.45	59,549.90	434.55	360.00	380.80	17,662.15
Feb-23	424.95	345.05	347.45	58,962.12	422.65	340.00	346.35	17,303.95
Mar-23	395.00	294.90	351.75	58,991.52	394.00	295.55	351.35	17,359.75

q. **Performance in Comparison:**

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



The performance of the Company's shares relative to the NSE Nifty 50 is given in the chart below:



r. **Shareholding Pattern as at 31st March 2023.**

Shareholding Pattern as on quarter ended 31st March, 2023.

Category	No of Equity Shares held	Percentage of Shareholding
<b>A. Promoters Holding</b>		
<b>1. Promoters</b>		
a. Indian Promoters	24960000	74.167
b. Foreign Promoters	0	0
<b>2. Persons acting in concert</b>	0	0
<b>Sub- Total</b>	<b>24960000</b>	<b>74.167%</b>
<b>B. Non- Promoters Holding</b>		
<b>1. Institutional Investors</b>		
a. Mutual Funds and UTI	263900	0.784%
b. Alternate Investment Funds	0	0
c. Banks, Financial Inst, Insurance Company, NBFC's registered with RBI (Central/State Govt. Inst./Non-Govt. Inst.)	628	0.002%
d. FIIs Holding/FPI	45004	0.134%
<b>Sub- Total</b>	<b>309532</b>	<b>0.920%</b>
<b>2. Others Holding</b>		
a. Bodies Corporate	333766	0.992%
b. Indian Public	6433132	19.116%
c. HUF	389744	1.158%
d. NRIs/OCBs/Foreign Nationals	165274	0.491%
e. Clearing member	3402	0.010%
f. Trusts & Charitable Institutions	160951	0.478%
g. IEPF	690430	2.052%
h. Transit Account- Unclaimed / Suspense Account	128680	0.382%
i. LLP	78644	0.234%
j. KMP	21	0.000%
<b>Sub- Total</b>	<b>8384044</b>	<b>24.913%</b>
<b>GRAND TOTAL (A+B)</b>	<b>33653576</b>	<b>100.00%</b>

**s. Distribution Schedule on Scrip Value as on 31<sup>st</sup> March, 2023:**

(Amount in ₹)

Shares of Nominal Value	No. of Holders	% of Holders	Total Amount	% of Amount
Upto 5000	25929	95.948	13317565	7.915
5001 to 10000	614	2.272	4493415	2.670
10001 to 20000	258	0.955	3724835	2.214
20001 to 30000	69	0.255	1706235	1.014
30001 to 40000	39	0.144	1372190	.815
40001 to 50000	25	0.093	1150030	.683
50001 to 100000	46	0.170	3331325	1.980
100001 to above	44	0.163	139172285	82.709
<b>TOTAL</b>	<b>27024</b>	<b>100.000</b>	<b>168267880</b>	<b>100.000</b>

**t. Share Transfer System:**

Pursuant to SEBI circular dated January 25, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service request from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition etc. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at <https://www.orientalaromatics.com>

After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerialising those shares.

If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation.

**u. Secretarial Audit and Other Certificates**

M/s Shreyans Jain & Co., Practicing Company Secretaries, has conducted a secretarial audit of the Company for FY 2022-23. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association, SEBI Listing Regulations and the other applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report as an Annexure.

In accordance with the SEBI Circular dated February 8, 2019 and additional affirmations required under Circulars issued by NSE and BSE dated March 16, 2023 and April 10, 2023 read with Regulation 24A of the SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from CS Shreyans Jain of Shreyans Jain & Co., Practicing Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2023.

The Company obtains from CS Shreyans Jain of Shreyans Jain & Co., Practicing Company Secretary, yearly Certificate of Compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the said Certificate with the stock exchange.

M/s Shreyans Jain & Co., Practicing Company Secretaries, has carried out a quarterly Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL & CDSL and the total issued and listed capital. The audit confirms that the total issued/paidup capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

**v. National Electronic Clearing Service (NECS) Facility:**

The Company, with respect to payment of dividend to shareholders shall endeavour to remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate to the Company's R & T Agent, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may send the NECS mandate form to the concerned Depository Participant (DP) directly.

**w. Transfer to Investor Education protection Fund (IEPF):**

**A) Transfer of unclaimed/unpaid dividend:**

Under the provisions of Section 124 of the Companies Act 2013, amounts that remain unclaimed for a period of seven (7) years are to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. In view of the same, dividend of Rs. 4,27,596 pertaining to FY 2014-15 which remained unpaid or unclaimed was transferred to the IEPF Authority on 18<sup>th</sup> November, 2022.

The unclaimed amounts that are due for transfer to the IEPF are as follows:

Financial Year	Date of declaration of Dividend	Unclaimed dividend amount as on 31st March 2023 (Amount in ₹)	Due date of Transfer to IEPF
2015-2016	23 <sup>rd</sup> September 2016	425776	29.10.2023
2016-2017	25 <sup>th</sup> September 2017	446028	30.10.2024
2017-2018	24 <sup>th</sup> September, 2018	391168	30.10.2025
2018-2019	25 <sup>th</sup> September, 2019	548278	30.10.2026
2019-2020	09 <sup>th</sup> March, 2020	1356400	15.04.2027
2020-2021	18 <sup>th</sup> November, 2020	1462967	24.12.2027
2021-2022	09 <sup>th</sup> December, 2021	876349	05.01.2029

Members can check the details of the unclaimed dividend amount on the website of the Company: [www.orientalaromatics.com](http://www.orientalaromatics.com). The said information is also available on the Ministry of Corporate Affairs website [www.mca.gov.in](http://www.mca.gov.in). Members who have not claimed their dividend amount may approach M/s Link Intime India Pvt. Ltd. for obtaining payments thereof immediately, before they are due to be transferred to the IEPF Authority.

**B) Transfer of Shares:**

In terms of the provisions of section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more as provided under sub section (6) of Section 124 were transferred to the Special demat account of IEPF Authority. Accordingly, 72,070 shares were transferred to IEPF Account on 28<sup>th</sup> November, 2022. The Company had sent notices to all such members in this regard and published newspaper advertisement and thereafter transferred the shares to the IEPF during the Financial year 2022-23. The details of the shareholders whose shares are transferred to IEPF Authority has been uploaded on the Company's website i.e. [www.orientalaromatics.com](http://www.orientalaromatics.com)

Further, upon transfer of shares all the benefits (like bonus etc) if any, accruing on such shares shall also be credited to Demat account of IEPF.



The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure under the IEPF Rules. The Member/ Claimant is required to make an online application to the IEPF Authority in the Form IEPF-5 (available on iepf.gov.in) along with the requisite fees as decided by the IEPF Authority from time to time.

**x. Details of Credit Rating provided by ICRA for the Bank facilities availed by the Company:**

Sr. No.	Instrument	Type	Rating Agency	Credit Ratings and Outlook	Rating Assigned on
1.	Unallocated Limits	Long term	ICRA	[ICRA]A (Negative);	17th January, 2023
2.	Fund-based/ Non-Fund based limit	Long term/ Short term	ICRA	[ICRA]A (Negative)/ [ICRA]A2+;	17th January, 2023

**7. OTHER DISCLOSURES:**

**a. Related Party Transactions (RPT)**

There have been no materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large. Transactions with related parties have also been disclosed in the notes of the Financial Statements.

Policy for transactions with related parties have been displayed on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com) and weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/policy-on-related-party-transactions.pdf>

**b. Statutory Compliance, Penalties and Strictures**

There were no instances of any material non-compliance nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

**c. Whistleblower policy/Vigil mechanism:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of Listing Regulations. The Company has established vigil mechanism for directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The said mechanism also provides for the safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee. We affirm that no employee of the company has been denied access to the audit committee. The said Vigil Mechanism has been hosted on the website of the Company at [www.orientalaromatics.com](http://www.orientalaromatics.com) and the weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/vigil-mechanism.pdf>

**d. Determination of Materiality:**

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Company has adopted a policy on determination of materiality of any event and/ or information which are required to be disclosed to the Stock Exchanges. The objective of the policy is to ensure timely and adequate disclosure of material events and information as per Regulation 30 of the Listing Regulations. The purpose of the following policy is to institutionalise the process of identification and dissemination of any material information and/or event under clause (i) of sub regulation (4) of Regulation 30 of the Listing Regulations to enable investors to carry out their decision making by considering all important parameters. The said policy has been hosted on the website of the Company at [www.orientalaromatics.com](http://www.orientalaromatics.com) and the weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/policy-for-determination-of-materiality.pdf>

**e. Determination of Material Subsidiary:**

Pursuant to the provisions of Regulation 16(1)(c) of the Listing Regulations the Company has adopted a Policy for determining Material Subsidiaries laying down the criteria for identifying material subsidiaries of the Company. Your Company did not have any material subsidiary during the Financial Year 2022-23. The Policy may be accessed on the website of the Company at the link: <https://www.orientalaromatics.com/documents/corporate-governance/policies/POLMatSubsidiary.pdf>

**f. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** Not Applicable

**g. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount :** Not Applicable

**h. Details of compliance with mandatory and non-mandatory requirements of Listing Regulations:**

The Company has complied with in all material respects and adopted the mandatory requirements as laid down under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 46 of the Listing Regulations. Following is the status of the compliance with non-mandatory (Discretionary) requirements;

- Audit Qualifications;**

During the year under review, there were no Audit qualifications on the Company's financial statements. The Company shall endeavor to continue to have unqualified financial statements.

- Reporting of Internal Auditor:**

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Internal Auditors of the Company report to the Audit Committee. Quarterly Internal Audit Reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

**i. Compliance with Accounting Standards;**

In the preparation of financial statements, the company has followed the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with relevant rules thereunder. The Significant Accounting policies which are consistently applied have been set out in the notes to the financial statements.

**j. Insider Trading Regulations:**

The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015. This Policy also includes practices and procedures for fair disclosure of unpublished price sensitive information, initial and continual disclosure and the same is hosted on the website of the Company i.e. at [www.orientalaromatics.com](http://www.orientalaromatics.com) and the weblink thereto is:

<https://www.orientalaromatics.com/documents/corporate-governance/policies/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf>

Pursuant to the provisions of the SEBI ( PIT) Regulations, the Company is also maintaining a Structured digital database.

**k. Commodity Price risk and Commodity hedging activities:**

The Company has adequate risk assessment and minimization system in place for commodities. The Company does not have material exposure of any commodity and accordingly no hedging activities for the same are carried out.

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

- m. **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.**

The certificate of Company Secretary in practice is attached herewith as part of this report.

- n. **Where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year:** Not Applicable

- o. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is a part:**

Details relating to fees paid to the statutory auditors are given in Note No. 31 to the standalone financial statements and Note No. 30 to the consolidated financial statements

- p. **Disclosures in relation to the sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013:**

There were no complaints were filed and disposed of during the year and pending as on 31<sup>st</sup> March, 2023

- q. **CEO/CFO Certification:**

As required by Regulation 17(8) of the SEBI Listing Regulations, the Chief Executive Officer and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended 31st March 2023 confirming the correctness of the financial statements and cash flow statement, and adequacy of the internal control measures and reporting of matters to the Audit Committee.

- r. **The details with respect to demat suspense account/unclaimed suspense account:**

The transfer of shares to unclaimed suspense account was in transit as on 31st March, 2023.

For and on behalf of the Board of Directors

<b>Dharmil A. Bodani</b> Chairman and Managing Director DIN: 00618333	<b>Satish Kumar Ray</b> Executive Director-Operations DIN: 07904910
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Place: Mumbai  
Date: 30.05.2023

## DECLARATIONS

### Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Management Personnel have affirmed compliance with code of Business Conduct and Ethics for the year ended 31<sup>st</sup> March, 2023.

For and on behalf of the Board of Directors

**Parag Satoskar**  
Chief Executive Officer

Place: Mumbai  
Date: 30.05.2023

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Oriental Aromatics Limited**

The Corporate Governance Report prepared by **Oriental Aromatics Limited** ('the Company') for the year ended March 31, 2023 contains details as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

### Management's Responsibility for compliance with the conditions of Listing Regulations:

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), Standards on auditing specified under Section 143(10) of the Companies Act, 2013 and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

Based on the procedures performed by us and to the best of our information and according to explanations given to us and representations made by the management, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned 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.

### Restriction on Use

The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Lodha & Co.**  
Chartered Accountants  
Firm registration No. - 301051E

**R.P. Baradiya**  
Partner  
Membership No. 04401  
UDIN:- 23044101BGTSJV9634

Place: Mumbai  
Date: May 30, 2023

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of,  
**ORIENTAL AROMATICS LIMITED,**  
133, Jehangir Building, 2<sup>nd</sup> Floor,  
Mahatma Gandhi Road, Fort,  
Mumbai - 400 001, Maharashtra.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ORIENTAL AROMATICS LIMITED** having **CIN: L17299MH1972PLC285731** and having registered office at 133, Jehangir Building, 2<sup>nd</sup> Floor, Mahatma Gandhi Road, Fort, Mumbai - 400 001, Maharashtra (hereinafter referred to as the **"Company"**) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para - C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31<sup>st</sup> March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Dharmil Anil Bodani	00618333	22/08/2008
2.	Mr. Shyamal Anil Bodani	00617950	22/08/2008
3.	Mr. Harshvardhan Ashok Piramal	00044972	22/08/2008
4.	Mr. Ranjit Anand Puranik	00199353	30/09/2008
5.	Mr. Satishkumar Ray	07904910	16/08/2017
6.	Mr. Prakash Vasantlal Mehta	00001366	05/08/2011
7.	Ms. Amruda Vivek Nair	06716791	03/10/2013

Ensuring the eligibility of / 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 this based on 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 **Shreyans Jain & Co.**  
Company Secretaries  
Unique ID: S2011MH151000

**Shreyans Jain**  
(Proprietor)  
FCS No. 8519 / C.P. No. 9801  
UDIN: F008519E000356933  
PR NO.1118/2021

**Place:** Mumbai  
**Date:** 23.05.2023

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31<sup>st</sup> March, 2023, pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1.	<b>Corporate Identification Number (CIN) of the Listed Entity</b>	L17299MH1972PLC285731
2.	<b>Name of Listed Entity</b>	Oriental Aromatics Limited (hereinafter referred to as ("OAL/ Company"))
3.	<b>Year of incorporation</b>	07th April, 1972
4.	<b>Registered office address</b>	133, Jehangir Building, 2nd Floor, Fort, Mumbai-400001
5.	<b>Corporate office address</b>	133, Jehangir Building, 2nd Floor, Fort, Mumbai-400001
6.	<b>E-mail</b>	cs@orientalaromatics.com; investors@orientalaromatics.com
7.	<b>Telephone</b>	+91 22 43214000
8.	<b>Website</b>	<a href="http://www.orientalaromatics.com">www.orientalaromatics.com</a>
9.	<b>Financial year for which the reporting is done</b>	1st April, 2022 to 31st March, 2023
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	1. BSE Limited - Scrip Code : 500078 2. National Stock Exchange of India Limited, Symbol : OAL
11.	<b>Paid-up Capital</b>	INR 1682.68 Lakh
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	Ms. Kiranpreet Gill, Company Secretary & Compliance Officer 133, Jehangir Building, 2nd Floor, Fort, Mumbai-400001 +91 22 66556000, cs@orientalaromatics.com
13.	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)</b>	The disclosure under this report covers the standalone operations of OAL

#### II. Products/Services

##### 14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Manufacturing	Manufacturing of Chemical and chemical products including Flavours, Fragrances, Specialty Aroma Ingredients, Camphor & Terpene Chemicals.	100

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/service	NIC Code	% of total turnover contributed
1.	Camphor & Terpene Chemicals	20118	37
2.	Fragrances & Flavours	20118	26
3.	Specialty Aroma Chemicals	20118	19
4.	Astromusk	20118	18

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National (India)	5*	1**	6
International	-	1#	1

\* including plant of our wholly-owned subsidiary i.e Oriental Aromatics & Sons Ltd located at Mahad, Maharashtra that is still in development phase & R&D Lab at Chandivali, Mumbai

\*\* Registered /Corporate Office at Mumbai, Maharashtra

# - Subsidiary in Indonesia - PT Oriental Aromatics

Note: The Company has 2 subsidiaries, including 1 subsidiary outside India. There is no direct participation of the subsidiaries in the BRSR initiatives as presently there are no business operations being undertaken.

#### 17. Markets served by the entity

##### a. Number of locations

Locations	Numbers
National (No. of States)	23
International (No. of Countries)	40

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute to 40% of the total turnover of the entity.

##### c. A brief on types of customers

Oriental Aromatics Limited caters to a diverse range of customers across various industries. Some of the main types of customers that the company serves include FMCG industry, Fragrance & Flavours Industry and Pharmaceutical Industry amongst others.

### IV. Employees

#### 18. Details as at the end of Financial year:

##### a. Employees and workers (Including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	527	443	84%	84	16%
2.	Other than permanent (E)	10	9	90%	1	10%
3.	<b>Total employees (D+E)</b>	<b>537</b>	<b>452</b>	<b>84%</b>	<b>85</b>	<b>16%</b>
<b>WORKERS</b>						
4.	Permanent (F)	177	177	100%	-	-
5.	Other than permanent (G)	588	581	99%	7	1%
6.	<b>Total workers (F+G)</b>	<b>765</b>	<b>758</b>	<b>99%</b>	<b>7</b>	<b>1%</b>

#### b. Differently abled employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	100%	-	-
2.	Other than permanent (E)	-	-	-	-	-
3.	<b>Total differently abled Employees (D + E)</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	1	1	100%	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F + G)</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>-</b>	<b>-</b>

#### 19. Participation/Inclusion/ Representation of Women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	1	14%
Key Management Personnel*	4	2	50%

#### 20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	35.86	25.27	34.10	25.59	13.76	23.34	21.40	12.34	19.81
Permanent workers	6.56	0	6.56	6.44	0	6.44	8.35	0	8.35

### V. Holding, Subsidiary and Associate Companies (including joint ventures)

#### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)
1.	PT Oriental Aromatics (Indonesia)	Subsidiary	99.86%	No
2.	Oriental Aromatics & Sons Limited	Subsidiary	100%	

### VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (FY 21-22 in INR) : ₹ 86,879.19 Lakhs
- (iii) Net worth (FY 21-22 in INR) : ₹ 55,850.00 Lakhs

**VII. Transparency and Disclosures Compliances**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
<b>Communities</b>	Yes. The mechanism is in place to receive concerns from community via email at <a href="mailto:info@orientalaromatics.com">info@orientalaromatics.com</a> , which are worked upon and redressed accordingly.	-	-	-	-	-	-
<b>Investors (other than shareholders)</b>	Yes	-	-	-	-	-	-
<b>Shareholders</b>	Yes. Shareholders can register their grievances with the Company or its RTA. The Details of the same are at <a href="http://www.orientalaromatics.com/investors-grievances-contacts.php">http://www.orientalaromatics.com/investors-grievances-contacts.php</a> . Further grievances can also be lodged with SEBI at <a href="https://scores.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a>	9	0	All complaints resolved	13	0	All complaints resolved
<b>Employees and workers</b>	Yes	-	-	-	-	-	-
<b>Customers</b>	Yes. The company has a mechanism to handle and address customer complaints. The customers can register their grievances via email at <a href="mailto:sales.mumbai@orientalaromatics.com">sales.mumbai@orientalaromatics.com</a>	18	0	All complaints resolved	13	0	All complaints resolved
<b>Value Chain Partners</b>	Yes. The mechanism is in place to receive concerns from value chain partners via email at <a href="mailto:info@orientalaromatics.com">info@orientalaromatics.com</a> , which are worked upon and redressed accordingly.	-	-	-	-	-	-

**24. Overview of the entity's material responsible business conduct issues**

Overview of the entity's material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to the business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	<b>Price volatility of Raw Materials</b>	Risk	Fluctuations in raw material prices can have several impacts on a company, including the availability of materials and increased operational expenditure.	De-risking of our raw material sources by having multiple raw material suppliers across multiple geographies and in certain cases achieving de-risking by co-working with the suppliers for sustainable pricing.	Positive
2.	<b>Availability of natural resources based inputs</b>	Risk	Our focus on natural capital as an important aspect of our value creation approach motivates us to develop sustainable products and solutions that have minimal negative impact on the natural environment, in order to meet our business requirements.	Inputs based on natural resources are a challenge and steps are taken to ensure that these inputs are procured sustainably.	Positive
3.	<b>Energy Intensive Operations</b>	Opportunity	Our production process involves the use of high-temperature reactions and distillation, which require significant amounts of energy.	Adopting renewable energy, energy-efficiency and continuous process optimization programme.	Positive
4.	<b>Disposal of Waste</b>	Risk	During the production process, various waste materials are generated, which can pose a threat to the environment and human health, if not properly handled and disposed off.	Waste reduction and recycling program for effective waste management. Employee training, regular auditing and monitoring.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Climate change	Risk	The risks associated with climate change and global warming encompass risks related to environmental regulations, natural disasters caused by climate change and sustainability pressures at both the local and global levels.	Despite the current risk, it presents the Company with a distinctive opportunity to transition towards sustainable practices such as exploring as well as using renewable energy and alternative resource and fuel sources.	Positive
6.	Water Management	Risk	Any disruption to water supply or quality can affect operations and potentially lead to increased costs, delays.	Going beyond the minimum regulatory compliance requirements by focusing on water conservation and efficiency, effective waste water quality management, and achieving zero liquid discharge.	Negative
7.	Air Pollution / emission	Risk	Not complying with emission regulations could result in a negative and long-lasting impact on the environment and society, leading to the imposition of fines and levies, increased costs for monitoring and reporting and other related expenses.	Adherence to regulations by installing state-of-the-art air pollution control devices (APCD), implementing effective management of fugitive emissions and conducting continuous monitoring and reporting.	Negative

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>										
1.	a. Whether the entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	OAL's BRSR Policy is available at <a href="http://www.orientalaromatics.com/documents/corporate-governance/policies/BusinessResponsibilityPolicy1920.pdf">http://www.orientalaromatics.com/documents/corporate-governance/policies/BusinessResponsibilityPolicy1920.pdf</a>								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	All policies confirm to the applicable laws of the country, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and National Guidance on Responsible Business Conduct. Following are few of the certifications adopted by OAL and mapped to each principle: FSSAI (P2) US FDA (P2) REACH (P2) WHO GMP (P2) ISO 45001 (P3) ISO 14001 (P6) ECOVADIS (P2, P3, P4, P5, P6) NGRBC (P7) ISO 9001 (P9) Halal (P9) Kosher (P9)								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any	Refer to Environmental & Sustainable Practices at OAL in Annual Report on Pg No: 28								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	This report highlights the Company's initiatives and actions towards sustainability, as well as our identified areas of focus on Environmental, Social, and Governance (ESG) matters during the Financial Year. Going forward, we are committed to monitoring and presenting our performance in relation to these commitments.								
<b>Governance, leadership and oversight</b>										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements :	Please refer to the 'Message from the Chairman and Managing Director' section in the Annual Report 2022-23 on Pg No: 8								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Dharmil A. Bodani, Chairman and Managing Director (DIN:00618333) has been designated as the Business Responsibility and Sustainability Head.								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The CSR Committee of the Company is responsible for decision making of sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes									Annually								
Compliance with Statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has been compliant with the statutory requirements and there have been no instances of non-compliances.									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No								

No, the entity has not carried out an independent assessment or evaluation of the working of its policies by an external agency. The assessment and evaluation of the entity's policies have been conducted internally by the Senior Management. This internal review process ensures that the policies are effectively implemented and aligned with the entity's objectives and regulatory requirements.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)	Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by awareness programmes
Board of Directors Key Managerial Personnel	2	The Board of Directors and KMPs are regularly updated and made aware of statutory developments including Companies Act, 2013, SEBI Listing Regulations, Corporate Governance, etc. During the year, the Board of Directors of the Company were given updates on various matters related to the business, regulations, economy, and environmental, social, and governance (ESG) parameters, enabling informed decision- The ESG training and awareness program covered a range of topics, including Principle 1, 2, 6, and 8.	100%
Employees other than BoD and KMPs	45	a) POSH b) Child Labour c) Anti-Discrimination d) Employee Well-being e) Anti-Bribery & Corruption f) Basic Fire Safety Training g) Ethical Trading Initiative h) Advanced Fire Safety Training	100%
Workers	32	a) Basic & Advanced Fire Safety Training b) Chemical Storage & Handling c) Hazop & Operability Study d) Permit to Work System e) Emergency Response Plan f) Anti Bribery & Corruption g) Ethical Trading Initiative	59%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Not applicable	Nil	Not applicable	Not applicable
Settlement	Nil	Not applicable	Nil	Not applicable	Not applicable
Compounding fee	Nil	Not applicable	Nil	Not applicable	Not applicable
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	Nil	Not applicable	Not applicable	Not applicable	Not applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, the Company does have the Anti Bribery & Anti-Corruption policy.

The policy firmly emphasizes the Company's commitment to upholding the highest standards of integrity, transparency, and ethical behaviour, explicitly prohibiting bribery and corruption. The detailed policy can be accessed at <http://www.orientalaromatics.com/documents/corporate-governance/policies/4.pdf>

It defines bribery, corruption, and related terms, and outlines guidelines to prevent their occurrence. Violations result in disciplinary action, including termination. Confidentiality is maintained during complaint handling, and employees are protected against retaliation. The Company is committed to a culture of accountability, prompt issue resolution, and continuous improvement. This is also strongly reflected in our Business Responsibility & Sustainability Policy, Code of Conduct and is well supported by our Whistle Blower Policy.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
Key Managerial Personnel (KMPs)		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not applicable. There are no cases on corruption and conflicts of interest.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	FY 2022-23	FY 2021-22	Details improvement of in environmental and social impacts
R&D	100%	100%	All R&D expenditure is majorly used for synthesis of Specialty Aroma Ingredients and on creation of Fragrances & Flavours for making environmentally friendly & sustainable products for our customers. R&D expenditure is also primarily focused on sustainable technology, green chemistry & green energy for that helps the Company improve its fuel efficiency as well as human health and their well-being.
Capex	10.37%	2.59%	Installation (under process) of 75 KLD STP Plant that will help the company to Effectively treat and remove pollutants from wastewater. Investment in machines like Sulphur Analyser helping the Company make its products environment friendly and Installation of Scrubber and ESP helping the Company in Reduction of air pollutant.

2. a. Does the entity have procedures in place for sustainable sourcing (Yes/No)

Yes, there are procedures in place for sustainable sourcing. OAL has a supplier evaluation process through which it encourages suppliers to disclose information about their own sourcing practices and operations. The Company has specific policies for sourcing raw materials and commits to using sustainable packing materials. The Sustainable Procurement Policy is available at <http://www.orientalaromatics.com/documents/corporate-governance/policies/3.pdf>

- b. If yes, what percentage of inputs were sourced sustainably?

The organization has developed a systematic process for selecting and evaluating vendors, with a strong emphasis on environmental and social considerations. Vendors are chosen based on their long-term capabilities, adherence to safety, health, and environmental policies, quality standards, and competitive pricing. Approximately, 75% of the inputs are sourced sustainably.



For the purpose of sustainable sourcing, the Company has continued to source RSPO (Round table on Sustainable Palm Oil) certified palm oils based products and for the purpose of sustainable supplying, the Company manufactures 19 products that are REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Certified.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

The Company's manufacturing sites operate in compliance with Consents to Operate and authorizations under the Hazardous Waste Management Rules, ensuring proper disposal of waste materials. This guarantees responsible waste management and contributes to the Company's commitment to environmental sustainability.

- (a) Plastics (including packaging): Plastic packaging are sent to waste disposal service providers under the supervision of the State Pollution Control Board. .
- (b) E-waste: This is not applicable as the Company is not reclaiming any electronic items, and any e-waste generated on site is given to certified vendors for safe disposal.
- (c) Hazardous waste: The Company's products are treated as consumables by its customers, who manufacture value-added products. The Company has limited scope for reclaiming any hazardous waste generated by its products at the end of its life cycle.
- (d) Other waste: Not applicable

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No. Extended Producer Responsibility (EPR) is not applicable for the entity.

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	443	415	94%	160	36%	-	-	-	-	-	-
Female	84	81	96%	7	8%	84	100%	-	-	-	-
<b>Total</b>	<b>527</b>	<b>496</b>	<b>94%</b>	<b>167</b>	<b>32%</b>	<b>84</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent employees</b>											
Male	9	9	100%	4	44%	-	-	-	-	-	-
Female	1	1	100%	0	0%	1	100%	-	-	-	-
<b>Total</b>	<b>10</b>	<b>10</b>	<b>100%</b>	<b>4</b>	<b>40%</b>	<b>1</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	177	177	100%	166	94%	-	-	0	0%	-	-
Female	0	0	0%	0	0%	-	-	-	-	-	-
<b>Total</b>	<b>177</b>	<b>177</b>	<b>100%</b>	<b>166</b>	<b>94%</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0%</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent workers</b>											
Male	581	581	100%	581	100%	-	-	0	0%	-	-
Female	7	7	100%	7	100%	7	100%	-	-	-	-
<b>Total</b>	<b>588</b>	<b>588</b>	<b>100%</b>	<b>588</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>-</b>	<b>-</b>

**2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	92%	100%	Y	91%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others - Superannuation	The company extends superannuation scheme and NPS to employees at their option, out of the total remuneration					

3. **Accessibility of workplaces:**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes the Company is dedicated towards promoting diversity in the workforce and ensuring that all employees are treated equally and with respect. We strive to create an inclusive work environment that is welcoming to everyone. Our facilities are designed to be inclusive and accessible to people with disabilities as per the provisions of The Rights of Persons with Disabilities Act, 2016. We are also working to improve all necessary premises to make them more accessible to differently-abled employees and workers.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.:**

Yes, the Company has Equal Employment Opportunities Policy as per the Rights of Persons with Disabilities Act, 2016. The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company. This policy can be accessed through the link <http://www.orientalaromatics.com/documents/corporate-governance/policies/2.pdf>.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave:**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100% (9 Nos.)	100%	0	0
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>0</b>	<b>0</b>

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>527</b>	<b>-</b>	<b>-</b>	<b>514</b>	<b>-</b>	<b>-</b>
Male	443	-	-	421	-	-
Female	84	-	-	93	-	-
<b>Total Permanent Workers</b>	<b>177</b>	<b>177</b>	<b>100%</b>	<b>189</b>	<b>189</b>	<b>100%</b>
Male	177	177	100%	189	189	100%
Female	0	-	-	0	-	-

8. **Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	452	293	65%	85	19%	431	184	43%	58	13%
Female	85	6	7%	35	41%	93	7	8%	9	10%
<b>Total</b>	<b>537</b>	<b>299</b>	<b>56%</b>	<b>120</b>	<b>22%</b>	<b>524</b>	<b>191</b>	<b>36%</b>	<b>67</b>	<b>13%</b>
<b>Permanent Workers</b>										
Male	177	82	46%	7	4%	189	73	39%	22	12%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Total</b>	<b>177</b>	<b>82</b>	<b>46%</b>	<b>7</b>	<b>4%</b>	<b>189</b>	<b>73</b>	<b>39%</b>	<b>22</b>	<b>12%</b>

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	452	452	100%	431	431	100%
Female	85	85	100%	93	93	100%
<b>Total</b>	<b>537</b>	<b>537</b>	<b>100%</b>	<b>524</b>	<b>524</b>	<b>100%</b>
<b>Workers</b>						
Male	758	-	-	742	-	-
Female	7	-	-	7	-	-
<b>Total</b>	<b>765</b>	<b>-</b>	<b>-</b>	<b>749</b>	<b>-</b>	<b>-</b>

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes. The Company has implemented an Occupational Health and Safety management system that covers and applies to all employees and contractual workers. The implementation of a comprehensive health and safety framework is visible throughout the organization, with the management system being a vital component. Our facilities are well compliant with the relevant provisions of the state they operate in and has dedicated occupational health centres within the premises of the plant. Regular safety trainings are also provided to the employees. Furthermore, the Company's operational facilities are ISO 45001 (an international Occupational Health and Safety standard) certified by independent audit agencies.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We prioritize the identification and mitigation of risks through our audit system, which includes internal and external audits focusing on environmental and occupational health and safety parameters. The Company has appropriate procedures to assess risk on routine and non-routine basis i.e. Plant safety inspections, EHS round observations and Hazard and Operability Study (HAZOP) that is conducted annually or whenever there is a change in processes and risk mitigation plans are built accordingly.

In the event of safety incidents, we conduct thorough root cause analysis, followed by corrective actions monitored by the Plant Head. Our Hazard Identification and Risk Assessment (HIRA) register helps identify and assess potential risks, allowing us to take measures to eliminate or mitigate them. Regular updates and reviews of the HIRA register ensure a safe working environment and compliance with regulatory requirements.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)

Yes.

d. Do the employees/worker of the entity have access to non-occupational medical and health care services? (Yes/ No)

Yes.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	1	-
	Workers	2	7
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

The Health, Safety & Environment (HSE) department at the manufacturing units is headed by the respective Plant Heads. The Plant Head has the overall responsibility for the implementation of the requirements of the HSE standards. The Plant Head is supported by HSE Head & HSE Officers to ensure the effective management of process-related risks, promoting safety and preventing incidents. The Company has adopted ISO 45001, an internationally recognized standard for occupational health and safety management systems. This standard provides a framework for identifying, controlling, and mitigating risks, ensuring a safe and healthy working environment for employees, workers and its visitors. The Company emphasizes its dedication to achieving the highest levels of safety, health, and environmental performance.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% ISO 45001 audit was carried out at all manufacturing sites.
Working Conditions	100% The Company has conducted monitoring studies through internal and external audits for work area monitoring, illumination survey, noise monitoring, ventilation studies, etc.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We have identified corrective actions for all types of incidents and have taken necessary steps to address them. We have a well-established audit system to conduct internal and external audits, focusing on environmental and occupational health and safety parameters throughout the year.

In the case of safety-related incidents, a safety team conducts root cause analysis, which is then monitored and reviewed by the Plant Head. Based on the root cause, corrective measures are taken. Assessments in the financial year did not reveal any significant risks on the health & safety practices and working conditions in the plants.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company considers any individual, group, or institution that contributes to its business chain as a key stakeholder. This group of key stakeholders includes customers, employees, suppliers & value chain partners, shareholders, lenders, local communities, government & regulators, NGO's/NPO's. The process of identifying these key stakeholders considers input and feedback from various departments within the organization, as well as senior management. This collaborative approach ensures that a comprehensive assessment is made to identify the stakeholders who hold the most importance and influence in relation to the company's activities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Customers	No	Customer feedback surveys, In-person meetings/letters, Company websites, Product information on packaging, Customer relationship development, Email, SMS	Others- Frequent & Need basis	- The Company believes that understanding the requirements of its customers is essential in determining the quality and pricing of its products. - The development of new and innovative products is driven by the needs of the customers. - The Company also strives to minimize the environmental and social impact of its products, thereby enabling customers to meet their sustainability goals.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Employees	No	Emails, Video messages, Internal Communication platforms, Team meetings, One-to-one meetings/briefings	Others-Frequent & Need basis	- The Company aims to enhance employee engagement and communication by promoting collaborative working, diversity, and well-being at the workplace. - The Company also seeks to provide employees with opportunities for accelerated career growth.
Suppliers and Value Chain Partners	No	Supplier evaluation questionnaires, Contractual meetings, Email, SMS, Website	Others-Frequent & Need basis	The Company's objectives include maximizing opportunities for suppliers across the value chain, integrating sustainability into procurement decisions, and procuring high-quality raw materials and services at competitive prices.
Shareholders/ Research Analysts	No	Annual General Meeting, Annual Reports, One-to-one meetings, Quarterly conference calls, Investor conferences	Others-Frequent & Need basis	- The Company aims to disclose financial and non-financial factors to provide high-value information that generates significant long-term value to investors and shareholders. - The Company also engages with all its stakeholders to understand their priorities and address their queries and concerns, enriching business conduct.
Local Communities	No	School & Local functions	Others-Frequent & Need basis	- The Company strives to establish robust partnerships with local communities and support its supply chain.
Governments and Regulatory bodies	No	Press Releases, Quarterly Results, Annual Reports including BRSR Report, Stock Exchange filings	Others-Frequent & Need basis	- The Company aims to enhance its sustainability performance and improve compliance with regulations related to its activities. - The Company aims to contribute to nation-building through its products, taxes, as well as support the governments on-ground initiatives through corporate social responsibility (CSR) and contributions to the local community.
NGO's/ NPO's and Other Groups	No	CSR initiatives , Telephonic discussions	Others-Frequent & Need basis	- The Company aims to engage experts in the field for the effective implementation of CSR programs and regularly discuss and share updates to strengthen the existing programs.

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of Employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	527	286	54%	514	11	2%
Other than Permanent	10	0	0%	10	0	0%
<b>Total Employees</b>	<b>537</b>	<b>286</b>	<b>53%</b>	<b>524</b>	<b>11</b>	<b>2%</b>
<b>Workers</b>						
Permanent	177	17	10%	189	8	4%
Other than Permanent	588	0	0%	560	0	0%
<b>Total Workers</b>	<b>765</b>	<b>17</b>	<b>2%</b>	<b>749</b>	<b>8</b>	<b>1%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	<b>527</b>	-	-	<b>527</b>	<b>100%</b>	514	-	-	514	100%
Male	443	-	-	443	100%	421	-	-	421	100%
Female	84	-	-	84	100%	93	-	-	93	100%
<b>Other than Permanent</b>	<b>10</b>	-	-	<b>10</b>	<b>100%</b>	10	-	-	10	100%
Male	9	-	-	9	100%	10	-	-	10	100%
Female	1	-	-	1	100%	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>	<b>177</b>	-	-	<b>177</b>	<b>100%</b>	189	-	-	189	100%
Male	177	-	-	177	100%	189	-	-	189	100%
Female	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>	<b>588</b>	<b>588</b>	<b>100%</b>	-	-	567	567	100%	-	-
Male	581	581	100%	-	-	560	560	100%	-	-
Female	7	7	100%	-	-	7	7	100%	-	-

**3. Details of remuneration/salary/wages, in the following format: (Amount in ₹)**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
<b>Board of Directors (BoD)</b>	3	2,34,08,000	0	0
<b>Key Managerial Personnel</b>	2	94,12,500	2	73,27,751
<b>Employees other than BoD and KMP</b>	447	4,08,804	83	4,77,900
<b>Workers</b>	758	1,47,408	7	1,47,408

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The Head of Human Resources and the individual Plant Heads holds the responsibility for dealing with any human rights issues that are caused or have a contribution from the business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues:**

The Company believes in promoting Equality, diversity, and non-discrimination while protecting and respecting human rights and is committed to responsible business conduct across its facilities, employees and vendors that meets or goes beyond applicable laws and regulations, safeguards health and safety at work, protects the environment and generally supports the contribution of business to achieving sustainable development.

Wages and benefits comply with legal requirements, and a safe and healthy work environment is ensured, meeting regulations for worker safety, sanitation, emergency preparedness, and access to medical care. The Company believes that long-term, trusting relationships are built on honesty, integrity, and acting ethically. Respect for human rights plays an important role in maintaining these foundational principles. The Company is committed towards respecting and upholding the human rights of all people.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Sexual Harassment</b>	-	-	-	-	-	-
<b>Discrimination at workplace</b>	-	-	-	-	-	-
<b>Child Labour</b>	-	-	-	-	-	-
<b>Forced Labour / Involuntary Labour</b>	-	-	-	-	-	-
<b>Wages</b>	-	-	-	-	-	-
<b>Other human rights related issues</b>	-	-	-	-	-	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

The Company is dedicated to providing equal opportunities and denounces discrimination or harassment based on various factors. The Company have implemented an Equal Employment Opportunity Policy to ensure inclusivity and zero tolerance for discrimination. The Company also has a policy to prevent and address sexual harassment at the workplace, with an Internal Complaints Committee responsible for conducting inquiries and safeguarding the identities of all involved parties. Regular sensitization programs on sexual harassment prevention are conducted. The Company maintains confidentiality and anonymity for complainants. The Company have a Whistleblower Policy for reporting unethical behavior and noncompliance, and employees are expected to adhere to a Code of Conduct promoting responsible actions and conduct.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. The Company has integrated the fulfillment of human rights requirements into its standard terms and conditions for Purchase Orders, Agreements/ Contracts entered into with the Suppliers and also as a part of Code of Conduct for Suppliers and Service Providers.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
<b>Child labour</b>	100%. We conduct internal monitoring to ensure compliance with relevant laws and policies regarding these issues. No significant findings have been reported by local regulatory bodies or external parties throughout the year. We take proactive measures to prevent discrimination, child labor, and sexual harassment within our value chain partnerships.
<b>Forced/involuntary labour</b>	
<b>Sexual harassment</b>	
<b>Discrimination at workplace</b>	
<b>Wages</b>	
<b>Others - please specify</b>	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:**

Not Applicable.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	(In Joules or multiples)	
	FY 2022-23	FY 2021-22
Total electricity consumption (A)	92,852.70 GJ	83,447.13 GJ
Total fuel consumption (B)	16,02,406.11 GJ	15,98,235.34 GJ
Energy consumption through other sources (C)	0 GJ	0 GJ
<b>Total energy consumption (A+B+C)</b>	<b>16,95,258.81 GJ</b>	<b>16,81,682.47 GJ</b>
<b>Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)</b>	<b>19.97 GJ/ ₹ Lakh</b>	<b>19.81 GJ/ ₹ Lakh</b>
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.:**

No independent assessment was carried out by any external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No. The Company does not fall under the category of industries mandated under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	1,95,039	2,04,354
(iii) Third party water	1,57,897	1,76,612
(iv) Seawater / desalinated water	-	-
(v) Others - Recycled water	710	2368
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>3,53,646</b>	<b>3,83,334</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>3,53,646</b>	<b>3,83,334</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>4.16 KL/ ₹ Lakh</b>	<b>4.51 KL/ ₹ Lakh</b>
<b>Water intensity (optional) - the relevant metric may be selected by the entity</b>	-	-

**Note: : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N):**

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

The Ambernath plant of the Company has successfully implemented a Zero Liquid Discharge (ZLD) mechanism. This innovative approach ensures that no liquid waste is discharged from the plant. Instead, the water is recycled and utilized for irrigation and flushing purposes, effectively conserving this valuable resource.

In line with our commitment to water conservation, we have taken proactive measures at our Bareilly and Baroda Plants. Through our reuse and recycle approach, we aim to optimize water consumption and minimize wastewater generation. We envisage implementing ZLD in both these plants to enhance the coverage of ZLD practices across the company. These initiatives reflect our recognition of the importance of water as a critical resource, and our dedication to water conservation.

5. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
<b>NOx</b>	<b>ppm</b>	34.60	35.50
<b>SOx</b>	<b>Mg/Nm<sup>3</sup></b>	20.40	20.39
<b>Particulate matter (PM)</b>	<b>ppm</b>	62.75	62.61
<b>Persistent organic pollutants (POP)</b>	Persistent Organic Pollutants (POP), Volatile Organic Compounds (VOC), Hazardous Air Pollutants (HAP), are not being monitored currently.		
<b>Volatile organic compounds (VOC)</b>			
<b>Hazardous air pollutants (HAP)</b>			
<b>Others - please specify</b>			
<b>Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency</b>	Yes. 1. Enviro-Tech services 2. Bhagwati Enviro Care Pvt. Ltd. 3. Sky Lab, Bhiwandi 4. Sky Lab Analytical Laboratory.		

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	31,606	30,365
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	20,376	18,312
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		0.60 CO2e / ₹ Lakh	0.56 CO2e / ₹ Lakh
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> - the relevant metric may be selected by the entity		-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:**

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:

OAL strives to address the climate change risks arising out of greenhouse gas emission by taking up energy efficiency and renewable energy projects in its plants. The Company has invested in a biomass-based boiler to meet its steam requirements and reduce its dependence on fossil fuel. The company regularly takes up various energy efficiency initiatives at the plants by adopting energy efficient technologies for reducing greenhouse gas emission.

The company has signed a commitment letter for the science-based targets initiative (SBTi) project, pledging to reduce their absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 50.4% by 2032 from 2022 as its base year. Currently, OAL is in the target development phase.

The company's commitment to climate action and minimizing environmental impact is demonstrated through their Carbon Disclosure Project (CDP) certification, where they received a B rating in the Management band.

This surpasses the Asia regional average of C and the Chemicals sector average of B Negative (B-), enabling OAL to progress in environmental stewardship by benchmarking and comparing their climate governance practices with their peers.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	26.28	29.23
E-waste (B)	4.57	0.27
Bio-medical waste (C)	0.50	0.40
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.41	0.73
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any (G)	17,541.27	17,329.56
<b>Other Non-hazardous waste generated (H).</b> Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	239.50	233.33
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>17,812.53</b>	<b>17,593.52</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Hazardous Waste		
(i) Recycled	0	0
(ii) Re-used	14,777	15,164
(iii) Other recovery operations	2,329	1,393
<b>Total</b>	<b>17,106</b>	<b>16,557</b>
Non- Hazardous Waste		
(i) Recycled	147	111
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>147</b>	<b>111</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Hazardous Waste		
(i) Incineration	108	392
(ii) Landfilling	265	261
(iii) Other disposal operations	69	122
<b>Total</b>	<b>442</b>	<b>775</b>
Non-Hazardous Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	92	123
<b>Total</b>	<b>92</b>	<b>123</b>

**Note: : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N):**

No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:**

The manufacturing process unavoidably generates waste, taking cognizance of this, the Company has implemented measures to ensure responsible waste management practices. Our aim is to avoid disposal of large amounts of waste and adopt procedures that repurpose used material and reintroduce excess material back into the production process. The Company employs the '3R' concept, which is to reduce, reuse, and recycle waste. The Company follows legally prescribed methods and environmentally safe disposal techniques for disposing of hazardous waste and sells non-hazardous waste to approved recyclers.

The company manages all waste in accordance with the Consent to Operate/Hazardous Waste authorization of each site. By regularly refining the process and technology, the company employs a "Reduce, Reuse, Recycle, Recovery, and Disposal" strategy to minimize the creation of hazardous waste.

The company either provides hazardous waste to authorized recyclers, disposes of it through Treatment Storage and Disposal Facilities (TSDF), or offers it to other industries as raw material.

Recognizing the importance of water as a resource, we undertake several initiatives to optimize the consumption and reduce resultant wastewater generation through our reuse or recycle approach at our Bareilly and Baroda Plant. The wastewater generated in the plants is recovered and reused in process.

Effluent generated at Bareilly and Baroda is treated in Effluent Treatment Plant (ETP) followed by treatment in RO plant. The company has installed Effluent Treatment Plant (ETP), Reverse Osmosis (RO) plant to recover 70%-80% of the water from ETP effluent which is recycled to process.

Currently we are recycling 30% pure condensate against total steam consumption of 175 TPD (tonnes per day). Bareilly plant recycles wash water within the same process, thus saving on almost 5 -10% of fresh water. The Company has installed a new Sewage Treatment Plant (STP) at its plant in Bareilly.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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None of the operating sites are located within the core/buffer zone (within a 10 km radius) of any Ecologically Sensitive Area such as Protected Areas, National Parks, Wildlife Sanctuaries, Bio-Sphere Reserves, Wildlife Corridors, etc.

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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None of the projects undertaken by OAL in FY 2022-23 required Environmental Impact Assessments (EIA)

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any action
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Yes, the Company is in compliance with all the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations:**

The Company has affiliations with 9 (Nine) trade and industry chambers / associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Institute of Packaging (IIP)	National
2	Industrial Entrepreneurs Memorandum (IEM) certificate	National
3	Chemexcil (RCMC)	National
4	Bombay Chamber of Commerce and Industry	State
5	Indian Chemical Council (ICC)	National
6	Flavors and Fragrance Association of India	National
7	International Federation of Essential Oil and Aroma Trade	National
8	International Fragrance Association	National
9	Export Inspection Agency	National

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:**

No cases were reported related to anti-competitive conduct during the Financial Year 2022-23.

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

None of the projects undertaken by OAL in FY 2022-23 required Social Impact Assessments (SIA).

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

No projects have been undertaken which require Rehabilitation and Resettlement (R&R).

**3. Describe the mechanisms to receive and redress grievances of the community:**

The Company acknowledges its responsibility towards the society and supports inclusive growth and equitable development of all its stakeholders. It strongly believes in growing together responsibly leading to success of its business. The Company has a process to receive and redress concerns/grievances received from the community. The unit level Human Resource/ Admin Department interacts with the community on a variety of matters including health care, education, rural development, etc and the concerns received are worked upon and are accordingly redressed. With a focus on community needs and concerns, we strive to minimize our impact on the environment, society, and the community while giving back to the society through carefully selected CSR initiatives.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	6.19%	6.37%
Sourced directly from within the district and neighbouring districts	35.52%	27.26%

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

The Company has a Standard Operating Procedure to handle customer complaints. When a complaint is received, it is logged in the complaint register and thoroughly investigated by its Quality Assurance department. Corrective actions, including remedial correction, are promptly taken as required. A detailed investigation report is prepared and shared with the complainant, and if any delays are expected, the customer is informed accordingly.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

**3. Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	No complaints received.	0	0	No complaints received.
Advertising	0	0	No complaints received.	0	0	No complaints received.
Cyber-security	0	0	No complaints received.	0	0	No complaints received.
Delivery of essential services	0	0	No complaints received.	0	0	No complaints received.
Restrictive Trade Practices	0	0	No complaints received.	0	0	No complaints received.
Unfair Trade Practices	0	0	No complaints received.	0	0	No complaints received.
Other (product and transportation related)	18	0	No complaints received.	13	0	No complaints received.

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink to the policy:**

Yes, the Company has a framework/ policy on cyber security and risks related to data privacy. The same can be accessed at <http://www.orientalaromatics.com/documents/corporate-governance/policies/1.pdf>.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services:**

For the reporting year, there were no complaints received for aforesaid issues.



# STANDALONE FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

**To The Members of  
Oriental Aromatics Limited**

**Report on the Audit of Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of Oriental Aromatics Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including 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 standalone 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 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, 2023, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No	Key Audit Matters	Auditor's response
1.	<p><b>Goodwill on Amalgamation - Impairment (₹ 4497.72 lakhs as on March 31, 2023):</b></p> <p>The Company is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the balance of ₹ 4,497.72 lakhs as on March 31, 2023, relating to a cash generating unit, is material to the standalone financial statements. In addition to that, since the assessment process is judgmental by nature, it is based on assumptions on future market and/or economic conditions.</p> <p>The assumptions used included future cash flow projections, discount rates, perpetuity and sensitivity analysis.</p>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> <li>- Assessing the valuation methodology and understanding of the processes followed by the management for determining the recoverable amount of the cash generating unit for which the goodwill is recognized.</li> <li>- Reviewed the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results.</li> <li>- Reviewed the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate.</li> <li>- Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management.</li> <li>- We also assessed the disclosures provided by the Company in relation to its annual impairment test in Note no. 48 to the standalone financial statements.</li> </ul> <p>These procedures performed, gave us a sufficient evidence to enable us to rely on the accounting for goodwill impairment for the purpose of our audit of the Standalone financial statements.</p>
2	<p><b>Information Technology (IT) Systems and Controls :</b></p> <p>(Refer note 54 to standalone financial statements)</p> <p>During the year the Company has implemented SAP, a new Enterprise Resource Planning (ERP) System. The new system is fully integrated financial accounting and reporting system.</p> <p>The implementation of ERP has a risk of loss of integrity of key financial data being migrated and elimination of traditional controls without replacing them with the new effective controls measures, monitoring of IT controls which are relating to critical business processes such as purchase, production, sales, inventory and including recording of transactions, which could lead to financial errors or mis-statements and inaccurate financial reporting and also there is risk that automated accounting procedures and related IT manual controls might not work.</p> <p>We have accordingly designated this another focus area in the audit.</p>	<p>Our audit procedures in relation to implementation of SAP :</p> <p>We have performed procedures to ensure the migration of financial data between old system and new system.</p> <ul style="list-style-type: none"> <li>- Our audit approach consists of testing of design and operating effectiveness of internal controls and substantive testing around the new ERP system.</li> <li>- We have performed the test of controls regarding the appropriateness of system access and an effective maker and checker system built in the ERP system for proper authorizations of transactions and posting of accounting entries.</li> </ul> <p>The combination of these tests of controls and procedures performed, gave us a sufficient evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the standalone financial statements.</p>

### Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 standalone 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 standalone 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 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 control system in place and the operating effectiveness of such controls.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 entity'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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone 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 standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

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

### Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
  - (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (e) On the basis of the written representation received from the directors as on March 31, 2023 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a Directors 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".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197(16) of the Act.
- (h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. [Refer Note No. 35 to standalone financial statements]
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring the amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note No. 51(e) to standalone financial statements]
  - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; [Refer Note No. 51(f) to standalone financial statements]
  - (c) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v. The Board of Directors of the Company has proposed final dividend for the financial year 2022-23 which is subject to the approval of the Members at the ensuing annual general meeting. The dividend recommended by the Board is in accordance with Section 123 of the Act to the extent it applies to the recommendation of dividend [Refer note no. 52 to standalone financial statements].

For **Bagaria & CO LLP**  
Chartered Accountants  
Firm registration No. -113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:- 23143503BGWEMK3822

Place: Mumbai  
Date: May 30, 2023

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Oriental Aromatics Limited for the year ended March 31, 2023:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- i. (a). In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:
  - (A) The Company has maintained proper records, showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE).
  - (B). The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has carried out physical verification of the PPE at all its locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its PPE. Pursuant to the such physical verification of PPE carried out during the year, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination and records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company. [Refer Note No. 51(a) to standalone financial statements]
- ii. (a) The inventories have been physically verified by the management at reasonable intervals during the year. The procedures of physical verification of the inventories and its coverage followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. As per the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs 5 crore, in aggregate from banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, the monthly returns/statements filed by the Company during the year with such banks are broadly, in all material respects, in agreement with the books of account. The Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate from financial institutions on the basis of security of current assets.
- iii. During the year, in respect of Investment made, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
  - (a) During the year, the Company has not provided loans or advances in the nature of loans, guarantee to any party and hence reporting under clause 3 (a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year in its wholly owned subsidiary are in the ordinary course of business and are not prejudicial to the Company's interest.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (c) The Company has not granted any loans or advances in the nature of loans during the year and hence reporting under clause 3 (iii) (c), (d), (e) and (f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans, or provided guarantees or securities, as specified under Section 185 of the Act. Further, the Company has complied with the provisions of Section 186 of the Act in relation to investments made in its wholly owned subsidiary. The Company has not granted loans, provided security and guarantees as specified under Section 186 of the Act.
- v. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we are not required to and therefore, have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a year of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues as referred in clause vii (a) above which have not been deposited on account of any dispute except the following:

Name of Statute	Nature of dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956 and Sales Tax / VAT / Entry Tax- Acts of various states	Sales tax	459.65	2015-16 to 2016-17	Department has filed appeal with Hon'ble High Court, Allahabad
The Central Excise Act, 1944	Excise Duty and Penalty	12.39#	2007-08 to 2011-12	Central Excise & Service Tax Appellate Tribunal, Karnataka

# net of deposit of Rs. 1.38 lakhs

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the Order is not applicable to the Company. [Refer Note No. 51(d) to standalone financial statements]
- ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting under clause 3(ix) (a) of the Order is not applicable to the Company.
- (b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender. [Refer Note No. 51(g) to standalone financial statements]

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, during the year, funds raised by the Company on short term basis have been temporary utilised for long term purposes to the extent of Rs. 1,860.62 lakhs towards purchase of property, plant and equipment and investments in a subsidiary. As explained by the management that aforesaid shortfall will be met from sanctioned term loans.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) rules, 2014 with the Central Government.
- (c) Based on our audit procedures performed and according to the information and explanations given to us, no whistle blower complaints have been received during the year by the Company, hence reporting under clause 3 (xi) (c) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standards (Refer Note no. 40 to the standalone financial statements).
- xiv. (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii.** The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii.** There has been no resignation of the statutory auditors of the Company during the year and hence reporting under clause 3 (xviii) of the Order is not applicable to the Company.
- xix.** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.** According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year and hence reporting under clause 3 (xx) of the Order is not applicable to the Company.
- xxi.** The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of Standalone Financial Statements and hence no comment in respect of the said clause has been included in this report.

For **Bagaria & CO. LLP**  
Chartered Accountants  
Firm registration No. -113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:- 23143503BGWEMK3822

Place: Mumbai  
Date: May 30, 2023

## INDEPENDENT AUDITOR'S REPORT (Contd.)

**Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Oriental Aromatics Limited for the year ended March 31,2023:**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of the Oriental Aromatics Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 Company's 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 entity are being made only in accordance with authorisations of management; (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements and (iv) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the organization from time to time.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### 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 best of our information and according to the explanations given to us, the Company has, broadly 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 31,2023, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Bagaria & CO. LLP**

Chartered Accountants  
Firm registration No. - 113447W/W-100019

**Vinay Somani**

Partner  
Membership No. 143503  
UDIN:- 23143503BGWEMK3822

Place: Mumbai  
Date: May 30, 2023

## STANDALONE BALANCE SHEET

AS ON 31ST MARCH 2023

Particulars	Note	(in ₹ Lakh)	
		As on 31st March, 2023	31st March, 2022
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	20,888.43	20,758.13
(b) Capital work - in - progress	2	3,686.69	2,099.81
(c) Goodwill on amalgamation	47	4,497.72	4,497.72
(d) Intangible assets	3	454.80	202.10
(e) Intangible assets under development	3	23.60	40.62
(f) Right of use - Lease	4	787.65	604.42
(g) Financial Assets :			
(i) Investment in subsidiaries	5	3,200.00	1,440.00
(ii) Other financial assets	6	417.68	394.62
(h) Income tax assets (Net)		1,023.96	767.21
(i) Other non - current assets	7	440.27	415.69
<b>Total Non-Current Assets</b>		<b>35,420.80</b>	<b>31,220.32</b>
<b>2 Current assets</b>			
(a) Inventories	8	36,773.37	28,693.23
(b) Financial Assets :			
(i) Trade receivables	9	19,071.17	19,540.46
(ii) Cash and cash equivalents	10	958.82	625.71
(iii) Bank balances other Than (ii) above	11	119.14	161.02
(iv) Other current financial assets	12	65.34	118.60
(c) Other current assets	13	6,420.50	6,242.00
<b>Total Current Assets</b>		<b>63,408.34</b>	<b>55,381.02</b>
<b>TOTAL ASSETS</b>		<b>98,829.14</b>	<b>86,601.34</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	14	1,682.68	1,682.68
(b) Other equity	15	60,987.71	58,931.35
<b>Total Equity</b>		<b>62,670.39</b>	<b>60,614.03</b>
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	3,164.00	4,500.00
(ii) Lease Liabilities	41	166.16	-
(b) Provisions	17	289.58	208.31
(c) Deferred tax liabilities (net)	32	2,745.56	2,709.48
<b>Total Non Current Liabilities</b>		<b>6,365.30</b>	<b>7,417.79</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	19,720.15	9,434.88
(ii) Lease Liabilities	41	53.32	23.61
(iii) Trade Payables	19		
(A) Total outstanding dues of micro enterprises and small enterprises;		939.56	360.37
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,758.81	7,809.80
(iv) Other financial liabilities	20	948.63	356.66
(b) Other current liabilities	21	165.79	389.92
(c) Provisions	22	207.19	194.28
<b>Total Current Liabilities</b>		<b>29,793.46</b>	<b>18,569.52</b>
<b>Total Liabilities</b>		<b>36,158.75</b>	<b>25,987.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>98,829.14</b>	<b>86,601.34</b>

Significant accounting policies and accompanying notes form an integral part of standalone financial statements 1-55

As per our attached Report of even date  
For Bagaria & Co. LLP  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

For and on behalf of Board of Directors

**Dharmil A. Bodani** Managing Director  
DIN : 00618333

**Satish Kumar Ray** Executive Director-Operations  
DIN: 7904910

**Vinay Somani**  
Partner

Date : 30th May, 2023  
Place : Mumbai

**Parag Satoskar** Chief Executive Officer

**Girish Khandelwal** Chief Financial Officer

**Kiranpreet Gill** Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note	(in ₹ Lakh)	
		For the year ended 31st March, 2023	31st March, 2022
<b>I Income</b>			
Revenue from operations	23	84,907.26	86,879.19
Other income	24	576.88	437.69
<b>Total Income</b>		<b>85,484.14</b>	<b>87,316.88</b>
<b>II Expenses</b>			
Cost of materials consumed	25	63,068.53	61,558.47
Changes in inventories of finished goods and work-in progress	26	(5,391.44)	(4,277.32)
Manufacturing and operating costs	27	10,987.00	10,304.72
Employee benefits expense	28	5,266.13	4,959.68
Finance costs	29	1,313.10	410.30
Depreciation and amortization expense	30	1,932.81	1,695.42
Other expenses	31	5,462.57	4,988.00
<b>Total expenses</b>		<b>82,638.70</b>	<b>79,639.27</b>
<b>III Profit before tax</b>		<b>2,845.44</b>	<b>7,677.61</b>
<b>IV Tax expense</b>			
Current tax		700.09	2,024.60
Deferred tax charge/(credit)		36.08	42.70
Tax in respect of earlier years		46.80	204.75
<b>V Profit for the year</b>		<b>2,062.47</b>	<b>5,405.56</b>
<b>VI Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain/(loss)		(8.17)	(43.67)
Tax impact (charge)/credit on actuarial gain/(loss)		2.06	11.00
<b>Other Comprehensive Income</b>		<b>(6.11)</b>	<b>(32.67)</b>
<b>VII Total Comprehensive Income for the year</b>		<b>2,056.36</b>	<b>5,372.89</b>
<b>VIII Earnings per equity share of ₹ 5 each</b>	33		
Basic and Diluted (in ₹)		6.13	16.06
<b>Significant accounting policies and accompanying notes form an integral part of standalone financial statements</b>	1-55		

As per our attached Report of even date  
For Bagaria & Co. LLP  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

For and on behalf of Board of Directors

**Dharmil A. Bodani** Managing Director  
DIN : 00618333

**Satish Kumar Ray** Executive Director-Operations  
DIN: 7904910

**Vinay Somani**  
Partner

Date : 30th May, 2023  
Place : Mumbai

**Parag Satoskar** Chief Executive Officer

**Girish Khandelwal** Chief Financial Officer

**Kiranpreet Gill** Company Secretary

## STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2023

Sr. No.	Particulars	Note No.	(in ₹ Lakh)	
			For the year ended 31st March, 2023	31st March, 2022
<b>A)</b>	<b>Cash Flow from Operating Activities</b>			
	<b>Net Profit before Tax</b>		<b>2,845.44</b>	<b>7,677.61</b>
	<b>Adjustments for:</b>			
	Depreciation and amortization expense		1,932.81	1,695.42
	Interest and Other Finance Cost		1,313.10	410.30
	Loss / (Profit) on discarding / sale of assets (Net)		3.35	17.37
	Provision for doubtful debts and bad debts		2.36	37.39
	Sundry balances write off / Excess Provision Written back		(220.82)	15.01
	Unrealised Foreign Exchange rate difference		59.97	(35.83)
	<b>Operating Profit before Working Capital Changes</b>		<b>5,936.21</b>	<b>9,817.27</b>
	Adjustments for:			
	(Increase)/Decrease in Trade & Other Receivables		623.57	(2,962.85)
	(Increase)/Decrease in Inventories		(8,080.14)	(5,934.53)
	Increase/(Decrease) in Trade Payables & Provisions		393.40	1,212.57
	<b>Cash generated from Operating Activities before tax paid</b>		<b>1001.58</b>	<b>2,132.46</b>
	Direct Taxes (Paid)		(1,005.69)	(2,243.06)
	<b>Net Cash flow from Operating Activities (A)</b>		<b>2128.54</b>	<b>(110.60)</b>
<b>B)</b>	<b>Cash Flow from Investing Activities</b>			
	Purchase of Property, Plant and Equipment		(3,607.57)	(5,443.75)
	Proceeds from Sale of Property, Plant and Equipment		23.24	5.30
	Investment in Wholly Owned Subsidiary		(1,760.00)	(480.00)
	<b>Net Cash (used in)/from Investing Activities (B)</b>		<b>(5,344.33)</b>	<b>(5,918.45)</b>
<b>C)</b>	<b>Cash Flow from Financing Activities</b>			
	Proceeds/(Repayment) of long term borrowings	44	(500.00)	5,000.00
	Proceeds/(Repayment) of short term borrowings (Net)	44	9,263.31	1,116.34
	Dividend Paid		-	(504.80)
	Payment of lease liabilities	41	(65.13)	(65.87)
	Interest and Other Finance Cost		(892.20)	(404.51)
	<b>Net Cash (used in)/from Financing Activities (C)</b>		<b>7,805.98</b>	<b>5,141.16</b>
	<b>Net increase in cash and cash equivalents (A + B + C)</b>		<b>333.11</b>	<b>(887.89)</b>
	Cash & cash equivalents at beginning of the year	10	<b>625.71</b>	<b>1,513.60</b>
	Cash & cash equivalents at end of the year	10	<b>958.82</b>	<b>625.71</b>

Significant accounting policies and accompanying notes form an integral part of standalone financial statements 1-55

As per our attached Report of even date For Bagaria & Co. LLP Chartered Accountants Firm Registration No. - 113447W/W-100019

For and on behalf of Board of Directors

**Dharmil A. Bodani** Managing Director  
DIN : 00618333

**Satish Kumar Ray** Executive Director-Operations  
DIN: 7904910

**Vinay Somani**  
Partner

**Date : 30th May, 2023**  
**Place : Mumbai**

**Parag Satoskar** Chief Executive Officer

**Girish Khandelwal** Chief Financial Officer

**Kiranpreet Gill** Company Secretary

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2023

a EQUITY SHARE CAPITAL						
As at 31st March 2022	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the period	Change during the year 2022-23	As at 31st March 2023		
1,682.68	-	1,682.68		1,682.68		
As at 31st March 2021	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the period	Change during the year 2021-22	As at 31st March 2022		
1,682.68	-	1,682.68		1,682.68		
b OTHER EQUITY						
Particulars	NOTE	Capital Reserve on Amalgamation	General Reserve	Retained Earnings	Items of other comprehensive income - Actuarial gains / (loss)	Total
<b>Balance as at 1st April, 2021</b>		266.74	4,275.12	49,717.35	(195.81)	<b>54,063.40</b>
Changes in Other Equity due to prior period errors		-	-	(0.14)	-	<b>(0.14)</b>
<b>Balance at the beginning of the period</b>		<b>266.74</b>	<b>4,275.12</b>	<b>49,717.21</b>	<b>(195.81)</b>	<b>54,063.26</b>
Profit for the year		-	-	5,405.56	-	<b>5,405.56</b>
Other Comprehensive Income for the year		-	-	-	(32.67)	<b>(32.67)</b>
Interim dividend paid		-	-	(504.80)	-	<b>(504.80)</b>
<b>Balance as at 31st March, 2022</b>		<b>266.74</b>	<b>4,275.12</b>	<b>54,617.97</b>	<b>(228.48)</b>	<b>58,931.35</b>
Profit for the year		-	-	2,062.47	-	<b>2,062.47</b>
Other Comprehensive Income for the year		-	-	-	(6.11)	<b>(6.11)</b>
Interim dividend paid		-	-	-	-	-
<b>Balance as at 31st March, 2023</b>		<b>266.74</b>	<b>4,275.12</b>	<b>56,680.44</b>	<b>(234.59)</b>	<b>60,987.71</b>

Significant accounting policies and accompanying notes form an integral part of standalone financial statements 1-55

As per our attached Report of even date For Bagaria & Co. LLP Chartered Accountants Firm Registration No. - 113447W/W-100019

For and on behalf of Board of Directors

**Dharmil A. Bodani** Managing Director  
DIN : 00618333

**Satish Kumar Ray** Executive Director-Operations  
DIN: 7904910

**Vinay Somani**  
Partner

**Date : 30th May, 2023**  
**Place : Mumbai**

**Parag Satoskar** Chief Executive Officer

**Girish Khandelwal** Chief Financial Officer

**Kiranpreet Gill** Company Secretary



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

#### I. Background and Operations

Oriental Aromatics Limited is a Public limited Company and based at Mumbai, Maharashtra, India. It is incorporated under Companies Act, 1956 and its shares are listed on BSE Limited and National Stock Exchange Limited. The Company is having 3 manufacturing facilities at Ambarnath - Maharashtra, Bareilly - Uttarpradesh, Vadodara - Gujarat and they are engaged in the manufacturing and sale of Fine chemicals i.e. camphor, perfumery & specialty aroma chemicals, fragrances and flavours in India.

#### II. Significant accounting policies

##### (a) Basis of preparation of Financial Statements

###### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

###### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that is measured at fair value;
- 2) assets held for sale - measured at fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

###### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013.

##### (b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. Any revision to accounting estimates is recognised prospectively in current and future periods.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- i. Provisions and contingent liabilities - refer note (k)
- ii. Measurement of defined benefit obligations - refer note (m)
- iii. Impairment of goodwill on amalgamation - refer note (w)

##### (c) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

#### Capital Work-in-progress

Property, Plant and Equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, less any recognised impairment loss. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for intended use.

Expenditure incurred during developmental and preliminary stages of the Company's new projects, are carried forward. However, if any project is abandoned, the expenditure relevant to such project is written off through the natural heads of expenses in the year in which it is so abandoned.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over of period lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

Depreciation is provided on the straight-line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013. The range of estimated useful lives of Property, Plant & Equipment's are as under:

#### Category Useful Life

Buildings (including roads)	5 - 60 Years
Plant & Equipment	5 - 25 Years
Furniture & Fixture	10 Years
Office Equipment	2 - 5 Years
Vehicles	8 - 10 Years
Computer	2 - 6 Years

The management believes that the useful lives technically evaluated and given above the best represent the period over which the management expects to use these assets. The Company reviews the useful lives and residual value at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

#### (d) Intangible assets

Intangible assets are stated at cost, less accumulated amortisation and impairments, if any.

#### Amortisation method

The group amortizes Intangible assets with a useful life using the straight-line method over the period of 3 to 5 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### (e) Lease

#### As a lessee

The Company's leased asset primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

### (g) Contract balances:

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due). Trade receivables are recognised at the value of sales less allowance for bad and doubtful debts and expected credit loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the Company performs under the contract.

### (h) Inventories

Inventories include Raw Material, Work-in-Progress, finished goods, Stores & spares, Consumables and Packing Materials are valued at lower of cost and net realisable value.

Raw Materials - Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using Moving Weighted Average basis.

Finished Goods/Work-in-progress - cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on quarterly weighted average cost basis.

Stores, Spare Parts, Consumables, Packing Materials - cost is determined on Moving Weighted Average basis.

### (i) Investments and other financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- \* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- \* those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

#### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

#### Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- \* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

- \* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.
- \* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

### Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

### (iii) Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing Branch and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forwardlooking estimates are analysed. For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition.

The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. Impairment loss allowance including ECL or reversal

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The impairment loss is presented as an allowance in the balance sheet as a reduction from the net carrying amount of the trade- receivable, loan, deposits and lease receivable respectively.

### (iv) De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Financial Liabilities

#### Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

#### Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

#### Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

### (j) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

### (k) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

### (l) Revenue from Contracts with Customers

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated.

#### Sale of goods -

Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

#### Other operating revenue - Export incentives -

Export Incentives under the, "Duty Draw back Scheme", etc. are accounted in the year of export.

#### Other Income

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

### (m) Employee benefits

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans - The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

- b) Net interest expense or income

Re-measurement comprising of actuarial gains and losses arising from:

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

Termination benefits are recognised as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet date are discounted using the yield on Government Bonds.

### (n) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

### (o) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

### (p) Earnings Per Share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (q) Research and Development

Revenue expenditure, including overheads on Research and Development, is charged out as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is taken as Fixed Assets and depreciation is provided on such assets which are depreciable.

### (r) Cash Flow Statement

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

### (s) Exceptional Items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

### (t) Dividend

The Company recognizes a liability to pay dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company i.e. when the dividend distribution is being approved by the shareholders. A corresponding amount is recognized directly in equity.

### (u) Segment Report

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker(CODM).

The Company has identified its Managing Director as CODM who is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

### (v) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

### (w) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

### (x) Recent Accounting Developments

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

- Ind AS 1 - Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.
- Ind AS 12 - Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.
- Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is in the process of evaluating the impact of these amendments.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 2 Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
<b>Gross Carrying Amount / Deemed Cost</b>								
<b>As at 31st March 2022</b>	4.74	6,589.47	19,488.65	399.41	884.27	857.98	148.80	28,373.31
Additions	-	44.74	1,616.41	45.05	58.60	123.77	40.19	1,928.76
Disposals	-	3.52	43.80	5.08	0.01	31.82	3.12	87.35
Adjustment	-	71.60	(81.17)	36.07	(23.95)	6.00	0.92	9.47
<b>As at 31st March 2023</b>	4.74	6,702.29	20,980.09	475.45	918.91	955.93	186.79	30,224.19
<b>Accumulated Depreciation :</b>								
<b>As at 31st March 2022</b>	-	1,466.31	4,797.61	312.69	596.40	330.14	112.03	7,615.18
Depreciation charge for the year	-	252.17	1,267.34	48.10	80.54	103.33	29.88	1,781.36
Disposals/Adjustment	-	2.51	33.17	4.86	-	17.14	3.10	60.78
<b>As at 31st March 2023</b>	-	1,715.97	6,031.78	355.93	676.94	416.33	138.81	9,335.76
<b>Net Carrying Amount :</b>								
<b>As at 31st March 2022</b>	4.74	5,123.16	14,691.03	86.72	287.87	527.85	36.76	20,758.13
<b>As at 31st March 2023</b>	4.74	4,986.32	14,948.30	119.52	241.97	539.61	47.97	20,888.43

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
<b>Gross Carrying Amount / Deemed Cost</b>								
<b>As at 31st March 2021</b>	4.74	6,253.51	16,101.17	380.38	973.63	770.51	111.93	24,595.87
Additions	-	335.96	3,403.73	26.43	8.01	101.81	36.87	3,912.82
Disposals	-	-	16.26	7.41	97.37	14.34	-	135.37
<b>As at 31st March 2022</b>	4.74	6,589.47	19,488.65	399.41	884.27	857.98	148.80	28,373.31
<b>Accumulated Depreciation :</b>								
<b>As at 31st March 2021</b>	-	1,203.33	3,727.68	279.95	605.73	244.61	75.97	6,137.28
Depreciation charge for the year	-	262.98	1,075.90	39.65	78.74	97.32	36.06	1,590.65
Disposals	-	-	5.97	6.92	88.07	11.79	-	112.75
<b>As at 31st March 2022</b>	-	1,466.31	4,797.61	312.69	596.40	330.14	112.03	7,615.18
<b>Net Carrying Amount :</b>								
<b>As at 31st March 2021</b>	4.74	5,050.18	12,373.49	100.43	367.89	525.91	35.96	18,458.59
<b>As at 31st March 2022</b>	4.74	5,123.16	14,691.03	86.72	287.87	527.85	36.76	20,758.13

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Notes:

- For information on property, plant and equipment offered as security by the Company, refer to note number - 34
- For information on Capital Commitment, refer to note number - 36
- Breakup of Capital work in progress comprises of assets under installation/construction which are as under :-**

Particulars	As on	
	31-Mar-23	31-Mar-22
Plant & Equipment	1,866.08	504.16
Buildings	835.79	1,063.92
Directly attributable cost relating to project:		
Salary Expenses	271.98	104.24
Professional Fees	474.86	369.79
Borrowings Cost	208.05	42.35
Other Expenses	29.93	15.35
<b>Total</b>	<b>3,686.69</b>	<b>2,099.81</b>

### D. Capital work-in-progress ageing schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years*	Total
<b>As at 31st March 2023</b>					
Projects in progress	2,598.94	512.07	408.35	167.33	3,686.69
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	2,598.94	512.07	408.35	167.33	3,686.69
<b>As at 31st March 2022</b>					
Projects in progress	1,353.31	612.59	133.91	-	2,099.81
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	1,353.31	612.59	133.91	-	2,099.81

\*Delayed due to changes in products process and engineering design.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 3 Intangible assets

(in ₹ Lakh)					
Particulars	Products Registration & Development	Technical Knowhow	Computer Software	Total	Intangible Asset Under Development*
<b>Gross Carrying Amount / Deemed Cost</b>					
As at 31st March 2022	219.88	1,464.61	105.17	1,789.67	40.62
Additions	141.92	-	197.62	339.54	179.72
Disposals/Adjustment	(0.06)	0.13	0.05	0.12	196.74
<b>As at 31st March 2023</b>	<b>361.86</b>	<b>1,464.49</b>	<b>302.74</b>	<b>2,129.09</b>	<b>23.60</b>
<b>Accumulated Amortisation</b>					
As at 31st March 2022	20.63	1,464.49	102.46	1,587.57	-
Amortisation charge for the year	69.56	-	17.16	86.72	-
<b>As at 31st March 2023</b>	<b>90.19</b>	<b>1,464.49</b>	<b>119.62</b>	<b>1,674.29</b>	<b>-</b>
<b>Net Carrying Amount</b>					
As at 31st March 2022	199.26	0.13	2.71	202.10	40.62
<b>As at 31st March 2023</b>	<b>271.68</b>	<b>-</b>	<b>183.12</b>	<b>454.80</b>	<b>23.60</b>

Particulars	Products Registration & Development	Technical Knowhow	Computer Software	Total	Intangible Asset Under Development*
<b>Gross Carrying Amount / Deemed Cost</b>					
As at 31st March 2021	-	1,464.61	105.17	1,569.78	-
Additions	219.88	-	-	219.88	40.62
<b>As at 31st March 2022</b>	<b>219.88</b>	<b>1,464.61</b>	<b>105.17</b>	<b>1,789.67</b>	<b>40.62</b>
<b>Accumulated Amortisation</b>					
As at 31st March 2021	-	1,464.49	81.73	1,546.21	-
Amortisation charge for the year	20.63	-	20.73	41.36	-
<b>As at 31st March 2022</b>	<b>20.63</b>	<b>1,464.49</b>	<b>102.46</b>	<b>1,587.57</b>	<b>-</b>
<b>Net Carrying Amount</b>					
As at 31st March 2021	-	0.13	23.44	23.57	-
<b>As at 31st March 2022</b>	<b>199.26</b>	<b>0.13</b>	<b>2.71</b>	<b>202.10</b>	<b>40.62</b>

\* Represents computer software having ageing for a period less than one year.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 4 Right of use - Lease

(in ₹ Lakh)			
Particulars	Lease-Land	Lease-Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2022	631.83	180.26	812.09
Additions	-	247.98	247.98
<b>As at 31st March 2023</b>	<b>631.83</b>	<b>428.24</b>	<b>1,060.07</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2022	47.82	159.86	207.68
Amortisation charge for the year	8.05	56.68	64.73
<b>As at 31st March 2023</b>	<b>55.87</b>	<b>216.54</b>	<b>272.41</b>
<b>Net Carrying Amount</b>			
As at 31st March 2022	584.01	20.40	604.41
<b>As at 31st March 2023</b>	<b>575.96</b>	<b>211.70</b>	<b>787.66</b>

Particulars	Lease-Land	Lease-Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2021	631.83	180.26	812.09
Additions	-	-	-
<b>As at 31st March 2022</b>	<b>631.83</b>	<b>180.26</b>	<b>812.09</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2021	39.87	104.40	144.26
Amortisation charge for the year	7.95	55.46	63.41
<b>As at 31st March 2022</b>	<b>47.82</b>	<b>159.86</b>	<b>207.68</b>
<b>Net Carrying Amount</b>			
As at 31st March 2021	591.96	75.86	667.83
<b>As at 31st March 2022</b>	<b>584.01</b>	<b>20.40</b>	<b>604.41</b>

Notes: Refer Note No. 41 for Leases.

### 5 Investment in Subsidiaries

Particulars	(in ₹ Lakh)	
	31st March, 2023	31st March, 2022
<b>Investment in Equity share of Subsidiaries</b>		
<b>Unquoted (Carried at cost less impairment allowance)</b>		
Oriental Aromatics & Sons Limited - Wholly owned Subsidiary 3,20,00,000 (P.Y. 1,44,00,000) shares at ₹ 10 each fully paid up	3,200.00	1,440.00
PT Oriental Aromatics (Includes ₹ 782.21 on account of Conversion of Loan into series B share Capital ) (13,52,500 shares (P.Y. 13,52,500 shares) of US\$ 1 each fully paid up.)	934.09	934.09
Less: Aggregate amount of diminution in value of investment	(934.09)	(934.09)
<b>Total</b>	<b>3,200.00</b>	<b>1,440.00</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 6 Non Current - Other Financial Assets

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Security Deposits	199.28	184.79
Bank Deposits with maturity more than 12 months (Offered as Security against Bank Guarantee given)	200.67	188.70
Recoverable in respect of acquired business	17.73	21.13
<b>Total</b>	<b>417.68</b>	<b>394.62</b>

### 7 Other non - current assets

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Capital advances	413.59	345.71
Prepaid Expense	26.68	69.98
<b>Total</b>	<b>440.27</b>	<b>415.69</b>

### 8 Inventories

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Raw Materials	13,495.47	11,034.44
Raw Materials - in Transit	1,961.13	1,914.27
Work-in-progress	7,125.74	5,689.97
Finished goods	10,045.52	4,555.15
Finished goods - in Transit	2,711.72	4,246.41
Stores, Spares and Packing Materials	1,400.42	1,223.16
Stores, Spares and Packing Materials - in Transit	33.37	29.84
<b>Total</b>	<b>36,773.37</b>	<b>28,693.23</b>

#### Notes:

- Refer Note 34 for the details in respect of inventories hypothecated/mortgaged as security for borrowings.
- Inventories written down are accounted, considering the nature of inventory, ageing, liquidation of plan and net realisable value. Write-down of inventories amounted to ₹ 941.18 lakhs (P.Y. ₹ 612.48 lakhs). These write down have been recognised as an expense under Raw Material Consumption and Changes in inventories of finished goods and work-in progress in statement of Profit and Loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 9 Trade receivables

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Trade Receivables considered good - Unsecured	19,071.17	19,540.46
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	188.79	195.06
Less: Allowance for bad and doubtful debts	(188.79)	(195.06)
<b>Total</b>	<b>19,071.17</b>	<b>19,540.46</b>

Refer Note no. 34 for Trade Receivables offered as security, Note no.38(ii) for Currency Risk, Note 38(iii) for Credit Risk & Ageing schedule and Note no. 40 for related party disclosure

### 10 Cash and cash equivalents

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Balances with Banks		
- In current accounts	932.99	515.23
- In deposit accounts having original maturity of three months or less	-	100.00
Cash on hand	25.83	10.48
<b>Total</b>	<b>958.82</b>	<b>625.71</b>

### 11 Other Bank Balances

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Unpaid Dividend	55.07	59.93
Margin Money Accounts (Offered as Security against Bank Guarantee given)	17.34	89.48
Term deposits with original maturity more than 3 months and less than 12 months	46.73	11.61
<b>Total</b>	<b>119.14</b>	<b>161.02</b>

### 12 Current - Other Financial Assets

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Interest accrued on fixed deposit and others	2.73	3.78
Loan to staff	46.93	63.18
Insurance claim receivable	1.69	0.18
Government grant receivable	13.99	51.46
<b>Total</b>	<b>65.34</b>	<b>118.60</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 13 Other current assets

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Export benefit receivables	18.79	48.32
GST Receivable	4,692.01	4,382.83
Advances to Suppliers	1,015.18	1,013.47
Advances to Staff	38.42	62.97
Prepaid expenses	523.49	734.41
Receivable from Subsidiary Company (Refer Note no. 40)	132.61	-
<b>Total</b>	<b>6,420.50</b>	<b>6,242.00</b>

### 14 Equity Share capital

Particulars	(in ₹ Lakh)	
	As on 31-March-2023	As on 31-March-2022
<b>Authorised</b>		
<b>Equity shares</b>	3,500.00	3,500.00
As at 31st March,2023 - 7,00,00,000 no. of shares at ₹ 5 each.		
As at 31st March,2022 - 7,00,00,000 no. of shares at ₹ 5 each.		
	<b>3,500.00</b>	<b>3,500.00</b>
<b>Issued, subscribed and fully paid up</b>		
<b>Equity shares</b>	1,682.68	1,682.68
As at 31st March,2023 - 3,36,53,576 no. of shares at ₹ 5 each.		
As at 31st March,2022 - 3,36,53,576 no. of shares at ₹ 5 each.		
<b>Total</b>	<b>1,682.68</b>	<b>1,682.68</b>

### b) Rights of Equity Shareholders

- The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### c) Reconciliation of number of shares

Particulars	As on 31-March-2023	As on 31-March-2022
<b>Equity Shares :</b>		
Balance as at the beginning of the year	3,36,53,576	3,36,53,576
Balance as at the end of the year	<b>3,36,53,576</b>	<b>3,36,53,576</b>

### d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As on 31-March-2023		As on 31-March-2022	
Dharmil A. Bodani	1,24,78,752	37.08%	1,24,78,752	37.08%
Shyamal A. Bodani	1,24,80,000	37.08%	1,24,80,000	37.08%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### e) The details of Shares held by promoters at the end of the year

Particulars	As on 31-March-2023			As on 31-March-2022		
	No. of Equity Shares	Equity Shares %	% Change during the year	No. of Equity Shares	Equity Shares %	% Change during the year
Dharmil A. Bodani	1,24,78,752	37.08%	-	1,24,78,752	37.08%	-
Shyamal A. Bodani	1,24,80,000	37.08%	-	1,24,80,000	37.08%	-
Veer Dharmil Bodani	624	0.00%	-	624	0.00%	-
Yuvraj Dharmil Bodani	624	0.00%	-	624	0.00%	-

### f) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
Share issue on Subdivision of Shares	-	-	-	-	84,13,394
Share issue on Bonus	-	-	-	-	1,68,26,788
Shares issued for consideration other than cash	-	-	-	-	-
Bought back any shares issued	-	-	-	-	-

### 15 Other Equity

Particulars	(in ₹ Lakh)	
	As on 31st March, 2023	As on 31st March, 2022
<b>A. Summary of Other Equity balance.</b>		
Capital Reserve On Amalgamation	266.74	266.74
General Reserve	4,275.12	4,275.12
Retained Earnings	56,680.44	54,617.97
Other comprehensive income	(234.59)	(228.48)
<b>Total</b>	<b>60,987.71</b>	<b>58,931.35</b>

### B. Nature and purpose of reserves

- Capital Reserve on Amalgamation :** During business combination, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.
- General Reserve :** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act
- Retained Earnings :** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholder.
- Items of other Comprehensive income :** Difference between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustment within the plans, are recognised in 'Other Comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

### 16 Non Current Financial Liabilities - Borrowings

Particulars	(in ₹ Lakh)	
	As on 31st March, 2023	As on 31st March, 2022
<b>Secured</b>		
Term loan from a Bank	3,164.00	4,500.00
Rate of interest range from 5.50% - 8.90% (P.Y. 5.45% - 5.84%) per annum		
<b>Total</b>	<b>3,164.00</b>	<b>4,500.00</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### Loan Repayment Schedule

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Payable within 1 year	1,336.00	500.00
Payable between 1 to 2 years	1,333.00	1,333.00
Payable between 2 to 5 years	1,831.00	3,167.00
<b>Total</b>	<b>4,500.00</b>	<b>5,000.00</b>

(For details of security offered - Refer Note No.34)

### 17 Provisions

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>Provision for employee benefits :</b>		
Provision for Gratuity	57.51	-
Provision for Compensated Absences	232.07	208.31
<b>Total</b>	<b>289.58</b>	<b>208.31</b>

Refer Note no. 42 for Defined benefit plans

### 18 Current Financial Liabilities - Borrowings

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>Secured</b>		
Current Maturity of long term debt	1,336.00	500.00
Working Capital Loan from Banks	18,384.15	8,934.88
Rate of interest range from 4.5% - 8.36% (P.Y. 4.5% - 5.84%) per annum		
<b>Total</b>	<b>19,720.15</b>	<b>9,434.88</b>

For terms and conditions - Refer Note No.34 and 38(iv)

### 19 Trade payables

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Due to micro, small and medium enterprises ("MSME")	939.56	360.37
Due to creditors other than micro, small and medium enterprises	7,758.81	7,809.80
<b>Total</b>	<b>8,698.37</b>	<b>8,170.17</b>

Refer Note no. 40 for related party disclosure

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
1) Principal amount due and remaining unpaid	939.56	360.37
2) Interest due on above and the unpaid interest	1.23	0.81
3) Interest paid	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

### Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As on 31st March 2023</b>						
MSME Creditors	58.64	880.92	-	-	-	939.56
Creditors other than MSME	1,442.48	6,292.70	9.85	3.01	10.77	7,758.81
Disputed dues - MSME Creditors	-	-	-	-	-	-
Disputed dues - Creditors other than MSME	-	-	-	-	-	-
<b>Total</b>	<b>1,501.12</b>	<b>7,173.62</b>	<b>9.85</b>	<b>3.01</b>	<b>10.77</b>	<b>8,698.37</b>

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As on 31st March 2022</b>						
MSME Creditors	270.41	89.96	-	-	-	360.37
Creditors other than MSME	3,186.27	4,542.99	44.97	2.48	9.81	7,786.52
Disputed dues - MSME Creditors	-	-	-	-	-	-
Disputed dues - Creditors other than MSME	-	15.93	5.33	-	2.02	23.28
<b>Total</b>	<b>3,456.68</b>	<b>4,648.88</b>	<b>50.30</b>	<b>2.48</b>	<b>11.83</b>	<b>8,170.17</b>

### 20 Other financial liabilities

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Interest accrued on borrowings	89.15	24.86
Unclaimed dividend	55.07	59.93
Payable towards capital expenditure	804.41	271.87
<b>Total</b>	<b>948.63</b>	<b>356.66</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 21 Other Current liabilities

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Advance from customers	58.68	176.99
Statutory dues	107.11	212.93
<b>Total</b>	<b>165.79</b>	<b>389.92</b>

### 22 Provisions

Particulars	(in ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>Provision for employee benefits :</b>		
Provision for Gratuity	185.44	171.71
Provision for Compensated Absences	21.75	22.57
<b>Total</b>	<b>207.19</b>	<b>194.28</b>

Refer Note no. 42 for Defined benefit plans

### 23 Revenue from Operations

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
<b>Sale of Manufactured Products</b>		
Contracted Price	85,035.56	87,022.16
Less: Trade Discount, Volume Rebate etc	(456.29)	(386.79)
	84,579.27	86,635.37
<b>Other operating revenues</b>		
Export Incentives	189.75	119.25
Process waste sale	126.44	114.86
Royalty Income	11.80	9.71
<b>Total</b>	<b>84,907.26</b>	<b>86,879.19</b>

### 24 Other income

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Rent and Compensation	6.21	3.44
Foreign Exchange Gain (net)	345.16	216.41
Liability/Provision no longer required, written back	220.82	15.01
Other non-operating income - Refer Note No. 49	4.69	202.83
<b>Total</b>	<b>576.88</b>	<b>437.69</b>

### 25 Cost of materials consumed

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Raw Materials consumed	63,068.53	61,558.47
<b>Total</b>	<b>63,068.53</b>	<b>61,558.47</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 26 Changes in inventories of finished goods and work-in progress

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
<b>Opening inventories</b>		
Finished goods	8,801.57	5,482.30
Work-in-progress	5,689.97	4,731.92
<b>Closing inventories</b>		
Finished goods	(12,757.24)	(8,801.57)
Work-in-progress	(7,125.74)	(5,689.97)
<b>Total</b>	<b>(5,391.44)</b>	<b>(4,277.32)</b>

### 27 Manufacturing and Operating Costs

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Consumption of Spares Parts and Packing Materials	1,760.21	1,677.40
Power and Fuel	5,177.78	4,631.16
Licence Fees (Technical Knowhow)	469.61	411.56
Other Manufacturing and Operating Expenses	2,759.21	2,686.32
Repairs to Buildings	194.31	162.75
Repairs to Machinery	625.88	735.53
<b>Total</b>	<b>10,987.00</b>	<b>10,304.72</b>

### 28 Employee benefits expense

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Salaries and wages	4,599.73	4,442.66
Contribution to provident fund and other funds	236.42	221.18
Defined benefit plan expense	167.36	46.27
Workmen and Staff welfare expenses	262.62	249.57
<b>Total</b>	<b>5,266.13</b>	<b>4,959.68</b>

### 29 Finance costs

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Interest expense	1,036.35	252.15
Foreign Exchange loss on borrowings	209.25	86.22
Other borrowing costs	67.50	71.93
<b>Total</b>	<b>1,313.10</b>	<b>410.30</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 30 Depreciation and amortization expense

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Depreciation on Property, Plant and Equipment	1,781.36	1,590.65
Amortization on Right to use - leases	64.73	63.41
Amortization on Intangible assets	86.72	41.36
<b>Total</b>	<b>1,932.81</b>	<b>1,695.42</b>

### 31 Other expenses

Particulars	(in ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Rent	3.32	8.37
Insurance	320.12	254.87
Rates and taxes	130.65	108.51
Repairs & maintenance others	81.45	94.20
Auditors' remuneration and expenses*	18.80	19.77
Legal and professional expenses	472.71	333.92
Testing Fees	264.18	300.87
Directors sitting fees	25.56	20.76
Bad debts	8.63	-
Less:- provision utilised against bad debts	(8.63)	-
Provision for doubtful debts	2.36	37.39
Freight expenses	1,999.25	2,059.58
Commission on sales	209.99	166.94
Sales promotion expenses	449.13	113.10
Travelling expenses	545.85	255.84
Corporate social responsibility expenses - Refer note no. 45	211.82	525.00
Net loss on sale / discard of property, plant and equipment	3.35	17.37
Miscellaneous expenses	724.03	671.51
<b>Total</b>	<b>5,462.57</b>	<b>4,988.00</b>

#### \*Auditors' remuneration and expenses

Particulars	(in ₹ Lakh)	
	31st March, 2023	31st March, 2022
- Audit fees	12.50	12.50
- Limited review fees	6.00	6.00
- Certification fees	0.05	1.00
Reimbursement of out-of-pocket expenses	0.25	0.27
<b>Total</b>	<b>18.80</b>	<b>19.77</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 32 Income Taxes

Particulars	(in ₹ Lakh)	
	A. Tax expense recognized in the Statement of Profit and Loss	
	2022-23	2021-22
Current tax	700.09	2,024.60
Deferred tax	36.08	42.70
Tax impact charge/(credit) on actuarial gain/(loss)	(2.06)	(11.00)
Tax in respect of earlier years*	46.80	204.75
<b>Total income tax expense/(credit)</b>	<b>780.91</b>	<b>2,261.05</b>

\* Tax in respect of earlier years amounting of ₹ 204.75 lakh for the year 31st March 2022 regarding provisions made based on the outcome of appealed orders.

#### B. A reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the profit before income tax is summarized below:

Reconciliation of effective tax rate	(in ₹ Lakh)	
	2022-23	2021-22
Profit before tax	2,845.44	7,677.61
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	716.20	1,932.45
<b>Tax Expense Recognised in Statement of Profit and Loss</b>	<b>780.91</b>	<b>2,261.05</b>
<b>Differences due to:</b>		
-Tax in respect of earlier years	46.80	204.75
- Expenses not allowable for tax purposes	53.32	132.52
- Others	(35.41)	13.33
<b>Total income tax expense/(credit)</b>	<b>780.91</b>	<b>2,283.05</b>

#### C. Movement in Deferred tax (assets)/liabilities during the year ended March 31, 2023 :

Particulars	(in ₹ Lakh)		
	As on 31-Mar-2022	(Credit)/charge in Statement of Profit and Loss	As on 31-Mar-2023
Expenses allowable for tax purposes on payment	(128.26)	(53.49)	(181.75)
Difference in written down value of PPE as per books and as per Income Tax	2,837.74	89.57	2,927.31
<b>Deferred Tax Liability/(Asset)</b>	<b>2,709.48</b>	<b>36.08</b>	<b>2,745.56</b>

#### Movement in Deferred tax (assets)/liabilities during the year ended March 31, 2022 :

Particulars	(in ₹ Lakh)		
	As on 31-Mar-2021	(Credit)/charge in Statement of Profit and Loss	As on 31-Mar-2022
Expenses allowable for tax purposes on payment	(149.30)	21.04	(128.26)
Difference in written down value of PPE as per books and as per Income Tax	2,816.08	21.66	2,837.74
<b>Deferred Tax Liability/(Asset)</b>	<b>2,666.78</b>	<b>42.70</b>	<b>2,709.48</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 33 Earnings per share

Particulars	(in ₹ Lakh)	
	2022-23	2021-22
Earnings Per Share has been computed as under:		
Profit for the year	2,062.47	5,405.56
Weighted average number of equity shares outstanding (in Numbers)	3,36,53,576	3,36,53,576
Basic and diluted Earnings Per Share (₹)	6.13	16.06
(Face value of ₹ 5 per share)		

### 34 Assets offered as security

Particulars	(in ₹ Lakh)	
	2022-23	2021-22
The carrying amounts of assets offered as security for current and non-current borrowings are:		
<b>Current Assets</b>		
Trade receivables	19,071.17	19,540.46
Inventories	36,773.37	28,693.23
<b>Total Current assets offered as security</b>	<b>55,844.54</b>	<b>48,233.69</b>
<b>Non Current Assets</b>		
Land and Buildings	187.49	3,233.05
Furniture, fittings and equipment	124.96	96.39
Plant and Machinery	12,645.87	12,267.22
Others	34.83	39.80
<b>Total non-current assets offered as security</b>	<b>12,993.15</b>	<b>15,636.46</b>
<b>Total assets offered as security</b>	<b>68,837.69</b>	<b>63,870.15</b>

### 35 Contingent liabilities and commitments (to the extent not provided for)

Particulars	(in ₹ Lakh)	
	2022-23	2021-22
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts in respect of:-		
- Disputed Labour Claims	290.55	9.96
<b>Where Company is in appeal</b>		
- Disputed Excise Duty Matters*	13.78	13.78
- Disputed Income Tax Matters*	398.86	429.35
<b>Where Department is in appeal</b>		
- Disputed Sales Tax Matters*	459.65	459.65
- Disputed Income Tax Matters*	54.83	54.83
<b>Total</b>	<b>1217.67</b>	<b>967.57</b>

\* upto the date of demand

The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements the Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 36 Commitments

A. Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Particulars	(in ₹ Lakh)	
	As on 31-March-2023	As on 31-March-2022
Property, plant and equipment	958.23	1,315.16
Less: Capital advances	(413.59)	(345.71)
<b>Net Capital commitments</b>	<b>544.65</b>	<b>969.45</b>

B. Refer note no. 41 for commitments of lease liabilities.

### 37 Company has incurred following expenses on its in house Research & Development Facility :

#### (A) R & D Facility in Vadodara (approved u/s 35 (2AB) of Income Tax Act, 1961) :-

Accounts Head	(in ₹ Lakh)	
	2022-23	2021-22
<b>(i) Capital Expenses included in various heads :</b>		
Buildings	13.70	-
Plant & Machinery	13.44	2.61
Furniture & Fixtures	28.56	1.05
Computer and Computer Software	0.55	-
<b>Total</b>	<b>56.25</b>	<b>3.66</b>
<b>(ii) Revenue Expenses included in various heads :</b>		
Other Manufacturing and Operating Exp	145.89	127.83
Employee Benefit Expenses	150.51	134.05
Depreciation	26.00	21.88
Other Expenses	31.60	36.92
<b>Total</b>	<b>354.00</b>	<b>320.68</b>

#### (B) R & D Facility in Mumbai (Approved U/s 35 (2AB) of Income Tax Act, 1961.

Accounts Head	(in ₹ Lakh)	
	2022-23	2021-22
<b>(i) Capital Expenses included in various heads :</b>		
<b>Accounts Head</b>		
Plant and Machinery	79.20	37.04
Office Equipment	0.19	9.75
Computer and Computer Software	1.39	1.81
Vehicles	56.87	-
<b>Total</b>	<b>137.65</b>	<b>48.60</b>
<b>(ii) Revenue Expenses included in various heads :</b>		
Cost of Material Consumed	40.89	42.98
Employee Benefit Expenses	295.23	220.86
Building Rent	37.42	35.63
Depreciation	33.10	30.33
Other Expenses	64.11	77.81
<b>Total</b>	<b>470.75</b>	<b>407.61</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 38 Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company's market risk is managed by Senior Management, who evaluates and exercises independent control over the entire process of market risk management. The Senior Management recommend risk management objectives and policies, which are approved by the Audit Committee. The activities of Senior Management include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

#### i. Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk			(in ₹ Lakh)
Particulars	31st March, 2023	31st March, 2022	
Borrowings bearing variable rate of interest - as on reporting date	22,884.15	13,934.88	

#### Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Interest rate sensitivity			(in ₹ Lakh)
Particulars	2022-23	2021-22	
50 bp increase in interest rate - decrease in profits	92.05	54.30	
50 bp decrease in interest rate - Increase in profits	(92.05)	(54.30)	

#### ii. Market Risk- Foreign currency risk.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

#### Derivative instruments hedged and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date			(Foreign currency In lakh)
Particulars	31st March, 2023	31st March, 2022	
Forward contracts	-	-	

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### (b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31st March 2023					(Foreign currency In lakh)
Particulars	GBP	CHF	USD	EURO	
Trade Receivable	-	-	107.70	0.06	
Trade payables	-	0.23	12.77	-	
Borrowings	-	-	72.71	-	
Cash and Bank balances	-	-	0.19	-	

As at 31st March 2022					(Foreign currency In lakh)
Particulars	GBP	CHF	USD	EURO	
Trade Receivable	-	-	134.01	-	
Trade payables	0.05	0.09	14.23	1.22	
Borrowings	-	-	70.06	-	
Cash and Bank balances	-	-	0.36	-	

### Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax

Particulars	As on 31st March 2023		As on 31st March 2022	
	1% Increase	1% decrease	1% Increase	1% decrease
EURO	0.05	(0.05)	(1.03)	1.03
USD	16.98	(16.98)	37.94	(37.94)
CHF	(0.18)	0.18	(0.07)	0.07
<b>Increase / (decrease) in profit or loss</b>	<b>16.85</b>	<b>(16.85)</b>	<b>36.84</b>	<b>(36.84)</b>

#### iii. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

### Ageing of Trade Receivables

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31st March 2023</b>							
1) Undisputed - considered good	13,898.51	5,131.30	41.36	-	-	-	<b>19,071.17</b>
2) Undisputed - credit impaired	-	-	44.33	3.41	0.02	5.40	<b>53.16</b>
3) Disputed - credit impaired	-	-	-	0.04	0.10	135.50	<b>135.63</b>
<b>Subtotal</b>	<b>13,898.51</b>	<b>5,131.30</b>	<b>85.69</b>	<b>3.44</b>	<b>0.12</b>	<b>140.90</b>	<b>19,259.96</b>
Less: Provision for doubtful trade receivables	-	-	44.33	3.44	0.12	140.90	<b>188.79</b>
<b>Total</b>	<b>13,898.51</b>	<b>5,131.30</b>	<b>41.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,071.17</b>

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31st March 2022</b>							
1) Undisputed - considered good	16,430.64	3,109.81	-	-	-	-	<b>19,540.46</b>
2) Undisputed - credit impaired	-	5.49	6.65	3.90	53.14	-	<b>69.18</b>
3) Disputed - credit impaired	-	-	-	-	125.87	-	<b>125.87</b>
<b>Subtotal</b>	<b>16,430.64</b>	<b>3,115.30</b>	<b>6.65</b>	<b>3.90</b>	<b>179.01</b>	<b>-</b>	<b>19,735.51</b>
Less: Provision for doubtful trade receivables	-	5.49	6.65	3.90	179.01	-	<b>195.05</b>
<b>Total</b>	<b>16,430.64</b>	<b>3,109.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,540.46</b>

### Movement in provisions of doubtful debts

(in ₹ Lakh)

Particulars	2022-23	2021-22
<b>Opening provision</b>	195.06	157.67
Add:- Additional provision made	2.36	37.39
Less:- Provision utilised against bad debts	(8.63)	-
<b>Closing provision</b>	<b>188.79</b>	<b>195.06</b>

### Concentration Risk Disclosure

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

The Company had three (P.Y. three) customers whose revenue individually represented 10% or more of the Company's total revenue, or whose accounts receivable balances individually represented 10% or more of the Company's total accounts receivable, as follows:

(in ₹ Lakh)

Particulars	2022-23	2021-22
Balance receivable from top 3 customers (P.Y. 3 customers)	8,491.99	10,037.22
<b>% of Total Trade Receivable</b>	<b>44.53%</b>	<b>51.37%</b>
Revenue from top 3 customers (P.Y. 3 customers)	32,408.45	30,814.59
<b>% of Total Revenue</b>	<b>38.17%</b>	<b>35.47%</b>

### iv. Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the companies short - term, medium term and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by maturing the profiles of assets and liabilities.

The table provides details regarding the remaining contractual maturities of Company's financial liabilities.

Particulars	Less than 1 Year/On Demand	1- 5 Years	More than 5 Years	Total
<b>As at March 31, 2023</b>				
Non Current Liabilities				
Borrowings	1,336.00	3,164.00	-	4,500.00
Lease Liabilities	53.32	166.16	-	219.48
<b>Total Non current Liabilities</b>	<b>1,389.32</b>	<b>3,330.16</b>	<b>-</b>	<b>4,719.48</b>
Current Liabilities				
Borrowings	18,384.15	-	-	18,384.15
Trade Payables	8,698.37	-	-	8,698.37
Other Financial Liabilities	948.63	-	-	948.63
<b>Total Current Liabilities</b>	<b>28,031.15</b>	<b>-</b>	<b>-</b>	<b>28,031.15</b>

Particulars	Less than 1 Year/On Demand	1- 5 Years	More than 5 Years	Total
<b>As at March 31, 2022</b>				
Non Current Liabilities				
Borrowings	500.00	4,500.00	-	5,000.00
Lease Liabilities	23.61	-	-	23.61
<b>Total Non current Liabilities</b>	<b>523.61</b>	<b>4,500.00</b>	<b>-</b>	<b>5,023.61</b>
Current Liabilities				
Borrowings	8,934.88	-	-	8,934.88
Trade Payables	8,170.17	-	-	8,170.17
Other Financial Liabilities	356.66	-	-	356.66
<b>Total Current Liabilities</b>	<b>17,461.71</b>	<b>-</b>	<b>-</b>	<b>17,461.71</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### Financing arrangements

The Company had access to following undrawn Borrowing facilities at end of reporting period:

(in ₹ Lakh)

Particulars	31st March, 2023	31st March, 2022
Term Loan Borrowings	10,000.00	10,000.00
Working Capital Borrowings	9,415.85	17,445.12

### 39 Fair Value measurement

#### Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

#### The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

#### Financial Assets and Liabilities as at 31st March'2023

Particulars	Non Current	Current	Total	Routed through P & L	Routed through OCI	Carrying at amortised cost	At Cost*	Total
<b>Financial Assets</b>								
Investments in Subsidiary	3,200.00		3,200.00	-	-	-	3,200.00	3,200.00
Other Financial Assets	417.68		417.68	-	-	417.68	-	417.68
Trade receivable		19,071.17	19,071.17	-	-	19,071.17	-	19,071.17
Cash and Cash equivalents		958.82	958.82	-	-	958.82	-	958.82
Other Bank Balance		119.14	119.14	-	-	119.14	-	119.14
Other Current financial assets		65.34	65.34	-	-	65.34	-	65.34
	<b>3,617.68</b>	<b>20,214.47</b>	<b>23,832.15</b>	<b>-</b>	<b>-</b>	<b>20,632.15</b>	<b>3,200.00</b>	<b>23,832.15</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Non Current	Current	Total	Routed through P & L	Routed through OCI	Carrying at amortised cost	At Cost*	Total
<b>Financial Liabilities</b>								
Borrowings	-	19,720.15	19,720.15	-	-	19,720.15	-	19,720.15
Lease Liabilities	166.16	53.32	219.48	-	-	219.48	-	219.48
Trade Payables	-	8,698.37	8,698.37	-	-	8,698.37	-	8,698.37
Other Financial Liabilities	-	948.63	948.63	-	-	948.63	-	948.63
	<b>166.16</b>	<b>29,420.47</b>	<b>29,586.63</b>	<b>-</b>	<b>-</b>	<b>29,586.63</b>	<b>-</b>	<b>29,586.63</b>

#### Financial Assets and Liabilities as at 31st March'2022

Particulars	Non Current	Current	Total	Routed through P & L	Routed through OCI	Carrying at amortised cost	At Cost*	Total
<b>Financial Assets</b>								
Investments in Subsidiary	1,440.00	-	1,440.00	-	-	-	1,440.00	1,440.00
Other Financial Assets	394.62	-	394.62	-	-	394.62	-	394.62
Trade receivable	-	19,540.46	19,540.46	-	-	19,540.46	-	19,540.46
Cash and Cash equivalents	-	625.71	625.71	-	-	625.71	-	625.71
Other Bank Balance	-	161.02	161.02	-	-	161.02	-	161.02
Other Current financial Assets	-	118.60	118.60	-	-	118.60	-	118.60
	<b>1,834.62</b>	<b>20,445.79</b>	<b>22,280.41</b>	<b>-</b>	<b>-</b>	<b>20,840.41</b>	<b>1,440.00</b>	<b>22,280.41</b>
			-					
<b>Financial Liabilities</b>								
Borrowings	4,500.00	9,434.88	13,934.88	-	-	13,934.88	-	13,934.88
Lease Liabilities	-	23.61	23.61	-	-	23.61	-	23.61
Trade Payables	-	8,170.17	8,170.17	-	-	8,170.17	-	8,170.17
Other Financial Liabilities	-	356.66	356.66	-	-	356.66	-	356.66
	<b>4,500.00</b>	<b>17,985.32</b>	<b>22,485.32</b>	<b>-</b>	<b>-</b>	<b>22,485.32</b>	<b>-</b>	<b>22,485.32</b>

\*Cost less aggregate amount of diminution in value of investment

### 40 Related Parties Disclosure

#### a) Parties where control exists

Subsidiary : PT. Oriental Aromatics, Indonesia. (Proposed to be Liquidated)

Subsidiary : Oriental Aromatics & Sons Limited, India

#### b) Other Parties with whom the Company has entered into transactions during the year :

##### i) Enterprises over which Key Managerial Personnel are able to exercise significant influence

Keshavlal V. Bodani Education Foundation.

Vaishnavi Chemicals Private Limited

##### ii) Key Management personnel and relatives :

Mr. Dharmil A. Bodani  
(Chairman and Managing Director)

Mr. Shyamal A. Bodani (Executive Director)

Mr. Satish Ray (Executive Director - Operations)

Mr Bhadreshkumar Pandya  
(Executive Director - Operations till 15.08.22)

Mr. Parag Satoskar (Chief Executive Officer)

Mr. Girish Khandelwal (Chief Financial Officer)

Mrs. Kiranpreet Gill (Company Secretary)

Mrs. Indira Bodani (Relative KMP)

Mrs. Anita Satoskar (Chief R&D Officer)  
(KMP w.e.f. 25.03.2021)



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### iii) Non-Executive Independent Director:

Mr. Harshvardhan A. Piramal  
Mr. Prakash V. Mehta  
Mr. Ranjit A. Puranik  
Ms. Amruda V. Nair

#### Transaction with the Related Parties

##### 1 Compensation to Key Management Personnel

(in ₹ Lakh)

Sr No	Particulars	2022-23	2021-22	Balance as on 31-Mar-2023	Balance as on 31-Mar-2022
1	Short term employee benefits	926.91	990.64	(50.15)	-
2	Post-employment benefits*	-	-	-	-

\*Key Managerial Personnel and Relatives of Key Managerial Personnel who are under the employment of the company are entitled to post employment benefits and other long term benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

##### 2 Disclosure in respect of material transaction with related parties

(in ₹ Lakh)

Sr No	Particulars	Nature of transaction	2022-23	2021-22	Balance as on 31-Mar-2023	Balance as on 31-Mar-2022
1	PT. Oriental Aromatics	Sales/Receivable	-	-	-	-
		Investment in Share Capital	-	-	-	-
2	Oriental Aromatics & Sons Limited	Investment in Equity Share	1,760.00	480.00	3,200.00	1,440.00
		Reimbursement of Expenses	192.93	-	132.61	-
3	Keshavlal V. Bodani Education Foundation	Donation (Included in CSR Expenses)	205.32	382.33	-	-
4	Mr. Dharmil A. Bodani	Remuneration	325.30	325.10	(17.62)	-
5	Mr Shyamal A. Bodani	Remuneration	234.08	234.08	(18.04)	-
6	Mr Bhadreshkumar Pandya	Remuneration	15.16	28.61	-	-
7	Mr. Satish Ray	Remuneration	29.34	24.23	(0.13)	-
8	Mr. Parag Satoskar	Remuneration	122.24	237.59	(3.25)	-
9	Ms. Anita Satoskar	Remuneration	122.24	74.86	(5.68)	-
10	Mr. Girish Khandelwal	Remuneration	59.23	51.10	(4.19)	-
11	Ms. Kiranpreet Gill	Remuneration	19.32	15.07	(1.24)	-
12	Ms. Indira Bodani	Remuneration	27.62	27.62	(1.63)	-
13	Non-Executive Independent Director	Directors sitting fees	25.56	20.76	-	-
14	Vaishnavi Chemicals Private Limited	Rent Expenses	30.24	30.24	(2.26)	-

#### Note :

- No amounts in respect of related party have been written off/provided for during the year. No amounts in respect of related party have been written off/provided for during the year, except for recoverable (₹ 67.42 Lakh) and investment (₹ 934.09 Lakh) in PT. Oriental Aromatics which was provided for in earlier years..
- Related parties relationship have been identified by the management and relied upon by the auditors.
- Terms and conditions of transactions: the transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions and market rates.
- Figures in brackets represents amount payable.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 41 LEASES

Under Ind AS 116, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-to-use assets and for interest accrued on lease liability respectively

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 9%.

Following are the changes in the carrying value of right of use assets for the year ended

(in ₹ Lakh)

Particulars	Type of Right to Use assets		Total
	Building	Land	
<b>Balance as at 31st March 2021</b>	<b>75.86</b>	<b>591.96</b>	<b>667.83</b>
Depreciation and amortisation expenses (Refer Note 4)	55.46	7.95	<b>63.41</b>
<b>Balance as at 31st March 2022</b>	<b>20.40</b>	<b>584.01</b>	<b>604.41</b>
Addition during the year	<b>247.98</b>	-	<b>247.98</b>
Depreciation and amortisation expenses (Refer Note 4)	56.68	<b>8.05</b>	<b>64.73</b>
<b>Balance as at 31st March 2023</b>	<b>211.70</b>	<b>575.96</b>	<b>787.66</b>

Following is the movement in lease liabilities during the year

(in ₹ Lakh)

Particulars	2022-23	2021-22
<b>Opening Balance</b>	<b>23.61</b>	<b>84.35</b>
Additions	247.98	-
Interest accrued during the year	13.02	5.14
Deletions	-	-
Payment of lease liabilities	65.13	65.88
<b>Closing Balance</b>	<b>219.48</b>	<b>23.61</b>
- Current lease liabilities	53.32	23.61
- Non- current lease liabilities	166.16	-

Break-up of the contractual maturities of lease liabilities on an undiscounted basis:

(in ₹ Lakh)

Particulars	2022-23	2021-22
Less than one year	69.53	24.13
One to five years	186.91	-
More than 5 years	-	-

Short-term leases expenses incurred for the year ended:

(in ₹ Lakh)

Particulars	2022-23	2021-22
Rental expense	3.32	8.37

Lease hold Land - lease period ranging from 30 to 99 years.

### 42 Disclosure pursuant to Ind AS 19 - Employee benefits

#### I. DEFINED BENEFIT PLANS :

##### A. Balance Sheet

(in ₹ Lakh)

Particulars	As on 31-Mar-2023	As on 31-Mar-2022
Present value of plan liabilities	687.33	636.36
Fair value of plan assets	444.38	464.65
<b>Plan liability net of plan assets</b>	<b>242.95</b>	<b>171.71</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

<b>B. Movements in plan assets and plan liabilities</b>			
(in ₹ Lakh)			
Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1st April 2022</b>	464.65	636.36	171.71
Current service cost	-	57.79	57.79
Employer contributions	6.71	-	(6.71)
Return on plan assets	(0.73)	-	0.73
Interest cost	-	44.42	44.42
Interest income	32.43	-	(32.43)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(19.56)	(19.56)
Actuarial (gain)/loss arising from experience adjustments	-	27.00	27.00
Benefit payments	(58.68)	(58.68)	-
<b>As at 31st March 2023</b>	<b>444.38</b>	<b>687.33</b>	<b>242.95</b>
Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1st April 2021</b>	463.05	568.16	105.11
Current service cost	-	55.05	55.05
Employer contributions	-	-	-
Return on plan assets	60.96	-	(60.96)
Interest cost	-	35.96	35.96
Interest income	29.31	-	(29.31)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(0.10)	(0.10)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(25.57)	(25.57)
Actuarial (gain)/loss arising from experience adjustments	-	130.30	130.30
Benefit payments	(88.67)	(127.44)	(38.77)
<b>As at 31st March 2022</b>	<b>464.65</b>	<b>636.36</b>	<b>171.71</b>

<b>C. Statement of Profit and Loss</b>		
(in ₹ Lakh)		
Particulars	2022-23	2021-22
<b>Employee Benefit Expenses:</b>		
Current service cost	57.79	55.05
<b>Total</b>	<b>57.79</b>	<b>55.05</b>
Finance cost/(income)	11.99	6.65
<b>Net impact on the Profit / (Loss) before tax</b>	<b>69.78</b>	<b>61.70</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net	0.73	(60.96)
Actuarial gains/(losses) arising from changes in financial assumptions	(19.56)	(25.57)
Experience gains/(losses) arising on pension plan and other	27.00	130.30
<b>Net impact on the Other Comprehensive Income before tax</b>	<b>8.17</b>	<b>43.67</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

<b>D. Investment details of plan assets</b>		
(in ₹ Lakh)		
Particulars	As on 31-Mar-2023	As on 31-Mar-2022
Manage by Life Insurance Corporation	444.38	464.65

<b>E. Assumptions</b>		
With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.		
The significant actuarial assumptions were as follows:		
(in ₹ Lakh)		
Particulars	As on 31-Mar-2023	As on 31-Mar-2022
<b>Financial Assumptions</b>		
Discount rate	7.46%	6.98%
Salary Escalation Rate	6.00%	6.00%
Number of Active Members	712	738
Per Month Salary For Active Members	185.45	176.49
Weighted Average Duration of the Projected Benefit Obligation	7	7

### Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2012-14) (Urban) Ultimate table Mortality in Retirement : LIC Buy-out Annuity. Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.

<b>F. Sensitivity</b>			
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:			
As on 31-Mar-2023	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	PVO DR+1%	599.08	678.49
Salary Escalation Rate	PVO ER+1%	674.31	601.91
Employee Turnover	PVO ET+1%	640.75	631.40

As on 31-Mar-2022	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	PVO DR+1%	532.64	608.41
Salary Escalation Rate	PVO ER+1%	604.69	534.95
Employee Turnover	PVO ET+1%	570.34	565.60

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### G. The defined benefit obligations shall mature after year end 31st March, 2023 as follows:

Year ending 31 March,	Amount
2024	102.33
2025	60.78
2026	86.64
Thereafter	954.57

### The defined benefit obligations shall mature after year end 31st March, 2022 as follows:

Year ending 31 March,	Amount
2023	95.18
2024	48.82
2025	73.42
Thereafter	866.47

### II. COMPENSATED ABSENCES:

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences. Compensated absences charges for the year is ₹ 74.15 lakhs and write back to the statement of profit and loss for the previous year is ₹ 18.22 lakhs.

### 43 Capital risk management

The Company's objectives when managing capital are to

- » safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- » maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt

The Company's strategy is to maintain a minimum gearing ratio. The gearing ratios were as follows:

Particulars	(in ₹ Lakh)	
	As on 31-Mar-2023	As on 31-Mar-2022
Net Debt (Net of cash and cash equivalent of ₹ 958.82 lakhs (Previous year ₹ 625.71 lakhs))	21,925.34	13,309.17
Equity	62,670.39	60,614.03
Total Capital Employed	84,595.73	73,923.20
<b>Gearing Ratio</b>	<b>25.92%</b>	<b>18.00%</b>

### 44 Debt Reconciliation

Particulars	(in ₹ Lakh)			
	For the year ended 31-Mar-2023		For the year ended 31-Mar-2022	
	Term Loan	Working Capital Loan	Term Loan	Working Capital Loan
Opening Debt	5,000.00	8,934.88	-	7,785.87
Cash Flow during the year	(500.00)	9,263.31	5,000.00	1,116.34
Foreign Exchange (Gain)/loss	-	185.96	-	32.67
<b>Closing Debt</b>	<b>4,500.00</b>	<b>18,384.15</b>	<b>5,000.00</b>	<b>8,934.88</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 45 Corporate Social Responsibility

Particulars	(in ₹ Lakh)	
	As on 31-Mar-2023	As on 31-Mar-2022
Amount required to be spent as per Section 135 of Companies Act, 2013	211.82	210.00
Amount Spent during the year		
Construction/Acquisition of assets	-	-
On purpose other than above	211.82	525.00
Excess amount spent under section 135 (5)		
Carried forward Opening Balance Excess/(Short)	-	-
Amount required to be spent during the year	211.82	525.00
Actual amount spent/incurred during the year	(211.82)	(525.00)
Carried forward Closing Balance Excess/(Short)	-	-
Nature of CSR activities	Education, Health, Empowering Women, Environmental sustainability & Hygiene	
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	205.32	382.33

### 46 Operating segment

The Company is engaged in the business of manufacture of Fine Chemicals, considering its business activities primarily operated within India and reviewed by the Chairman and Managing Director to make decisions about resources to be allocated to the segment and assess its Performance. Accordingly, the Company has only one business segment.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below:

#### a. Revenue from operations

Particulars	(in ₹ Lakh)	
	2022-23	2021-22
Within India	47,985.62	60,525.44
Outside India	36,921.64	26,353.75
<b>Total</b>	<b>84,907.26</b>	<b>86,879.19</b>

#### b. Non-current operating assets

All non-current assets of the Company are located in India.

### 47 Impairment testing of Goodwill on Amalgamation

Goodwill on amalgamation of ₹ 4497.72 Lakh is relating to the merged business of its fragrance and flavours division ('CGU').

Goodwill is not amortised, instead it is tested for impairment annually or more frequently if indicators of impairment exist. The recoverable amount is determined based on value-in-use calculation which require the use of certain assumptions. The calculation use cash flow projections based on management approved cash flow projections for the 3-5 years period. Cash flow post that is extrapolated using the estimated growth rates.

As a result of impairment test for the year ended 31st March 2023, no goodwill impairment was identified as the fair value of the CGU to whom goodwill is relating to exceed their respective carrying amount. An analysis of the sensitivity of the changes in key parameters (cash flows, Discount rate and Long term average growth rate), based on reasonable probable assumptions, did not result in any probable scenario in which the recoverable amount of the CGU would decrease below the carrying amount.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### Key assumption used as at March 31, 2023 and March 31, 2022

Discount rate - 11.5% (P.Y. 11.5%)

Terminal Growth rate - 5% (P.Y. 5%)

### 48 Ratios Analysis:

(in ₹ Lakh)

Particulars	Measure	Current year Numerator	Current year Denominator	2022-23	2021-22	% Variance	Explanation for change in ratio by more than 25%
<b>Liquidity Ratio:</b>							
<b>Current Ratio</b> (Current Assets/Current Liabilities)	Times	63,408.34	29,793.46	2.13	2.98	-28.64%	Due to increase in inventory
<b>Solvency Ratio:</b>							
<b>Debt Equity Ratio</b> (Total Debt/Shareholder's Equity)	Times	22,884.15	62,670.39	0.37	0.23	58.83%	Increase in short term borrowing during the year.
<b>Debt Service Coverage Ratio</b> Earnings available for debt service/Finance Cost paid+Repayment of long term borrowings with in a year+Repayment towards lease liabilities)	Times	5,514.47	2,702.42	2.04	10.01	-79.61%	Increase in short term borrowing during the year and decrease in earnings.
<b>Profitability Ratio:</b>							
<b>Net Profit ratio</b> (Profit After Tax/Revenue from operation)*100	Percentage	2,062.47	84,907.26	2.43%	6.22%	-60.96%	Due to increase in prices of all input costs as well as reduction in sales realisation.
<b>Return on Equity Ratio</b> (Net Profits after taxes/Average Total Equity)*100	Percentage	2,062.47	61,642.21	3.35%	9.29	-99.64%	Due to reduction in earnings as well as increase in borrowing.
<b>Return on Capital employed</b> (Earnings before Interest & tax excluding other income / Average Capital Employed)*100	Percentage	3,581.66	80,051.73	4.47%	11.08%	-59.62%	Due to reduction in earnings as well as increase in borrowing.
<b>Return on investment</b> (Profit after tax / Average Total Equity)*100	Percentage	2,062.47	61,642.21	3.35%	9.29%	-63.99%	Due to reduction in profit
<b>Utilization Ratio:</b>							
<b>Inventory Turnover ratio</b> (Cost of materials consumed+ Changes in inventories of finished goods and work-in progress+Power and Fuel + Consumption of Spares Parts)/(Average Inventory)	Times	64,615.07	32,733.30	1.97	2.47	-20.14%	N.A.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Measure	Current year Numerator	Current year Denominator	2022-23	2021-22	% Variance	Explanation for change in ratio by more than 25%
<b>Trade Receivables turnover ratio</b> (Revenue from operations / Average Trade Receivables)	Times	84,907.26	19,305.81	4.40	4.52	-2.67%	N.A.
<b>Trade Payables turnover ratio</b> (Cost of materials consumed+ Changes in inventories of finished goods and work-in progress+Power and Fuel + Consumption of Spares Parts) / (Average Trade Payable)	Times	64,615.07	8,434.27	7.66	8.31	-7.84%	N.A.
<b>Net capital turnover ratio</b> (Revenue from operations / Average Working Capital- Inventories+Trade Receivables-Trade Payables)	Times	84,907.26	43,604.84	1.95	2.33	-16.39%	N.A.

### 49 Fire Insurance Claim

Other non-operative Income for year ended March 31, 2022, includes ₹ 190.56 lakhs being the amount of insurance claim in respect of fire at Bareilly plant in 2019.

### 50 Relationship with Struck Off companies

The Company has not entered into transaction with struck off companies under Section 248 of the Companies Act, 2013.

- 51 a) No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
- b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- e) The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

- 52** The Board of directors of the Company has recommended the payment of dividend on equity shares of ₹ 5 each @ ₹ 0.50 per shares for the year ended 31st March 2023. The final dividend shall be subject to approval of shareholders at the ensuing Annual General Meeting.
- 53** The Standalone Financial Statements have been approved by the Board of Directors in its meeting held on 30th May, 2023.
- 54** During the year ended March 31, 2023, the Company has implemented new ERP for all its location effective from November 1, 2022 except for one location which has been implemented from December 1, 2022 and therefore, had to compute the valuation of inventories of Raw materials, Packing Materials and Stores and Spares on weighted average basis as against previously followed on FIFO basis, the impact whereof is immaterial on profit before tax for the year ended March 31, 2023.
- 55** The previous year's figures have been re-grouped / re-classified wherever required to conform to current year's classification.

All figures of financials has been rounded off to nearest lakh rupees.

Signatures to Notes 1 to 55 which form an integral part of the financial statement.

### For and on behalf of Board of Directors

<b>Dharmil A. Bodani</b> Managing Director DIN : 00618333	<b>Satish Kumar Ray</b> Executive Director-Operations DIN: 07904910
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**Date : 30th May, 2023**  
**Place : Mumbai**

<b>Parag Satoskar</b> Chief Executive Officer	<b>Girish Khandelwal</b> Chief Financial Officer	<b>Kiranpreet Gill</b> Company Secretary
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# CONSOLIDATED FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

To The Members of

Oriental Aromatics Limited

Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Oriental Aromatics Limited ("the Holding Company") and its subsidiaries (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at March 31, 2023, the consolidated statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flow for the year then ended (Refer "Other Matters" section below), and notes to the consolidated financial statements, including 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 consolidated 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 accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated 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 Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No	Key Audit Matters	Auditor's response
1.	<p><b>Goodwill on Amalgamation - Impairment (₹ 4,497.72 lakhs as on March 31, 2023):</b></p> <p>The Holding Company is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the balance of ₹ 4497.72 lakhs as on March 31, 2023, relating to a cash generating unit, is material to the consolidated financial statements. In addition to that, since the assessment process is judgmental by nature as it is based on assumptions on future market and/or economic conditions. The assumptions used included future cash flow projections, discount rates, perpetuity and sensitivity analysis.</p>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> <li>- Assessing the valuation methodology and understanding of the processes followed by the management for determining the recoverable amount of the cash generating unit for which the goodwill is recognized.</li> <li>- Reviewed the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results, including discussions with management.</li> <li>- Reviewed the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate.</li> <li>- Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management.</li> <li>- We also assessed the disclosures provided by the Group in relation to its annual impairment test in Note no. 48 to the standalone financial statements.</li> </ul> <p>These procedures performed, gave us a sufficient evidence to enable us to rely on the accounting for goodwill impairment for the purpose of our audit of the Consolidated financial statements.</p>
2	<p><b>Information Technology (IT) Systems and Controls :</b></p> <p><b>(Refer note 54 to standalone financial statements)</b></p> <p>During the year the Holding Company has implemented SAP, a new Enterprise Resource Planning (ERP) System. The new system is fully integrated financial accounting and reporting system.</p> <p>The implementation of ERP has a risk of loss of integrity of key financial data being migrated and elimination of traditional controls without replacing them with the new effective controls measures, monitoring of IT controls which are relating to critical business processes such as purchase, production, sales, inventory and including recording of transactions, which could lead to financial errors or mis-statements and inaccurate financial reporting and also there is risk that automated accounting procedures and related IT manual controls might not work.</p> <p>We have accordingly designated this another focus area in the audit.</p>	<p>Our audit procedures in relation to implementation of SAP We have performed procedures to ensure the migration of financial data between old system and new system.</p> <ul style="list-style-type: none"> <li>- Our audit approach consists of testing of design and operating effectiveness of internal controls and substantive testing around the new ERP system.</li> <li>- We have performed the test of controls regarding the appropriateness of system access and an effective maker and checker system built in the ERP system for proper authorizations of transactions and posting of accounting entries.</li> </ul> <p>The combination of these tests of controls and procedures performed, gave us sufficient evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the consolidated financial statements.</p>

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### Information Other than the Consolidated Financial Statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report but does not include the consolidated financial statement and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group 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.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 consolidated 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 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 Holding Company and its subsidiaries has adequate internal financial control 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 entity'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 consolidated 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated 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 consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter:

We did not audit the financial statements of two subsidiaries included in the consolidated financial statements of the Group whose financial statements reflects total assets of Rs. 3,217.10 lakhs as at March 31, 2023 (Rs. 1414.46 lakhs as at March 31, 2022); total income of Rs. Nil, net profit/(loss) (total comprehensive income) of Rs. (86.79) lakhs and net cash inflow of Rs. 605.09 lakhs for the year ended March 31, 2023 {revenue of Rs. Nil lakhs, net profit/(loss) of Rs. (75.32) lakhs and net cash inflow of Rs. 10.44 lakhs for the year ended March 31, 2022}, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of other auditors.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 maintained by the Group have been kept so far as it appears from our examination of those books and records.
  - (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary as on March 31, 2023, taken on record by the Board of Directors of the Holding Company and its subsidiary incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2023 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 Holding Company and its Indian subsidiary and the operating effectiveness of such controls, please refer Annexure B of the standalone audit report, which is applicable to the Group, attached with the standalone financial statements included in this annual report.
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of Section 197(16) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. [Refer Note No. 35 to the standalone financial statements]
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary.
- iv. (a) The respective managements of the Holding Company and its subsidiary which is incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or by any of the such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer Note No. 51(e) to standalone financial statements]
- (b) The respective managements of the Holding Company and its subsidiary which is incorporated in India whose financial statements have been audited under the Act, have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Holding Company and by any of the such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; [Refer Note No.51(f) to standalone financial statements]
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to the notice that has caused to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
2. The Board of Directors of the Holding Company has proposed final dividend for the financial year 2022-23 which is subject to the approval of the Members at the ensuing annual general meeting. The dividend recommended by the Board is in accordance with Section 123 of the Act to the extent it applies to the recommendation of dividend [Refer note no. 52 to standalone financial statements].
3. According to the information and explanations given to us and based on the Companies (Auditor's Report) Order, 2020 ("CARO") issued of holding company and one of the Indian subsidiary included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the respective CARO reports of Holding Company and such Indian subsidiary.

For **Bagaria & CO LLP**  
Chartered Accountants  
Firm registration No. - 113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:- 23143503BGWEML8839

Place: Mumbai  
Date: May 30, 2023



## CONSOLIDATED BALANCE SHEET

AS ON 31ST MARCH 2023

Particulars	Note	(in ₹ Lakh)	
		31st March, 2023	31st March, 2022
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	20,912.11	20,786.39
(b) Capital work - in - progress	2	5,240.91	2,505.08
(c) Goodwill on amalgamation		4,497.72	4,497.72
(d) Intangible assets	3	454.80	202.10
(e) Intangible assets under development	3	23.60	40.62
(f) Right of use - Lease	4	1,406.42	1,017.92
(g) Financial Assets :			
Other financial assets	5	681.91	410.37
(h) Income tax assets (Net)		1,025.44	768.78
(i) Other non - current assets	6	440.27	746.52
<b>Total Non-Current Assets</b>		<b>34,683.18</b>	<b>30,975.49</b>
<b>2 Current assets</b>			
(a) Inventories	7	36,773.37	28,693.23
(b) Financial Assets :			
(i) Trade receivables	8	19,003.75	19,479.34
(ii) Cash and cash equivalents	9	1,599.44	661.24
(iii) Bank balances other Than (ii) above	10	138.64	280.52
(iv) Other current financial assets	11	73.12	125.00
(c) Other current assets	12	6,374.71	6,272.98
<b>Total Current Assets</b>		<b>63,963.04</b>	<b>55,512.31</b>
<b>TOTAL ASSETS</b>		<b>98,646.22</b>	<b>86,487.80</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	13	1,682.68	1,682.68
(b) Other equity	14	60,811.60	58,839.32
<b>Total Equity</b>		<b>62,494.28</b>	<b>60,522.00</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	3,164.00	4,500.00
(ii) Lease Liabilities	16	166.16	-
(b) Provisions	16	289.58	208.31
(c) Deferred tax liabilities (net)		2,717.80	2,690.73
<b>Total Non Current Liabilities</b>		<b>6,337.54</b>	<b>7,399.04</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	19,720.15	9,434.88
(ii) Lease Liabilities		53.32	23.61
(iii) Trade Payables	18		
(A) Total outstanding dues of micro enterprises and small enterprises;		939.56	360.37
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,752.77	7,756.04
(iv) Other financial liabilities	19	958.39	399.89
(b) Other current liabilities	20	173.80	393.71
(c) Provisions	21	216.40	198.26
<b>Total Current Liabilities</b>		<b>29,814.39</b>	<b>18,566.76</b>
<b>Total Liabilities</b>		<b>36,151.93</b>	<b>25,965.80</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>98,646.22</b>	<b>86,487.80</b>

Significant accounting policies and accompanying notes form an integral part of consolidated financial statements 1-36

As per our attached Report of even date  
For Bagaria & Co. LLP  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

For and on behalf of Board of Directors

**Dharmil A. Bodani** Managing Director  
DIN : 00618333

**Satish Kumar Ray** Executive Director -Operations  
DIN: 07904910

**Vinay Somani**  
Partner

**Date : 30th May, 2023**  
**Place : Mumbai**

**Parag Satoskar** Chief Executive Officer

**Girish Khandelwal** Chief Financial Officer

**Kiranpreet Gill** Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note	(in ₹ Lakh)	
		31st March, 2023	31st March, 2022
<b>I Income</b>			
Revenue from operations	22	84,907.26	86,879.19
Other income	23	572.81	440.85
<b>Total Income</b>		<b>85,480.07</b>	<b>87,320.04</b>
<b>II Expenses</b>			
Cost of materials consumed	24	63,068.53	61,558.47
Changes in inventories of finished goods and work-in progress	25	(5,391.44)	(4,277.32)
Manufacturing and operating costs	26	10,987.00	10,304.72
Employee benefits expense	27	5,284.06	5,009.11
Finance costs	28	1,303.10	404.50
Depreciation and amortization expense	29	1,942.80	1,701.22
Other expenses	30	5,537.77	5,031.47
<b>Total expenses</b>		<b>82,731.82</b>	<b>79,732.17</b>
<b>III Profit before tax</b>		<b>2,748.25</b>	<b>7,587.86</b>
<b>IV Tax expense</b>			
Current tax		700.09	2,024.60
Deferred tax charge/(credit)		27.07	28.29
Tax in respect of earlier years		46.80	204.75
<b>V Profit for the year</b>		<b>1,974.29</b>	<b>5,330.23</b>
<b>VI Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain/(loss)		(8.17)	(43.67)
Tax impact (charge)/credit on actuarial gain/(loss)		2.06	11.00
<b>Other Comprehensive Income</b>		<b>(6.11)</b>	<b>(32.67)</b>
<b>VII Total Comprehensive Income for the year</b>		<b>1,968.18</b>	<b>5,297.56</b>
<i>Attributable to the owners of the parent's company</i>			
<b>VIII Earnings per equity share of ₹ 5 each</b>	32		
Basic and Diluted (in ₹)		5.87	15.84
<b>Significant accounting policies and accompanying notes form an integral part of consolidated financial statements</b>	1-36		

As per our attached Report of even date  
For Bagaria & Co. LLP  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

For and on behalf of Board of Directors

**Dharmil A. Bodani** Managing Director  
DIN : 00618333

**Satish Kumar Ray** Executive Director -Operations  
DIN: 07904910

**Vinay Somani**  
Partner

**Date : 30th May, 2023**  
**Place : Mumbai**

**Parag Satoskar** Chief Executive Officer

**Girish Khandelwal** Chief Financial Officer

**Kiranpreet Gill** Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2023

Sr. No.	Particulars	Note No.	(in ₹ Lakh)	
			For the year ended 31st March, 2023	31st March, 2022
<b>A)</b>	<b>Cash Flow from Operating Activities</b>			
	<b>Net Profit before Tax</b>		<b>2,748.25</b>	<b>7,587.87</b>
	<b>Adjustments for:</b>			
	Depreciation and amortization expense		1,942.80	1,701.22
	Interest and Other Finance Cost		1,303.10	404.50
	Loss / (Profit) on discarding / sale of assets (Net)		3.35	17.37
	Provision for doubtful debts and bad debts		2.36	37.39
	Sundry balances write off / Excess Provision Written back		(220.82)	18.15
	Unrealised Foreign Exchange rate difference		64.07	(35.11)
	<b>Operating Profit before Working Capital Changes</b>		<b>5,843.11</b>	<b>9,731.39</b>
	Adjustments for:			
	(Increase)/Decrease in Trade & Other Receivables		337.12	(2,833.44)
	(Increase)/Decrease in Inventories		(8,080.14)	(5,934.53)
	Increase/(Decrease) in Trade Payables & Provisions		671.38	1,198.82
	<b>Cash generated from Operating Activities before tax paid</b>		<b>1,228.53</b>	<b>2,162.24</b>
	Direct Taxes (Paid) Net of Refund Received		(1,001.49)	(2,243.60)
	<b>Net Cash flow from Operating Activities (A)</b>		<b>2230.02</b>	<b>(81.36)</b>
<b>B)</b>	<b>Cash Flow from Investing Activities</b>			
	Purchase of Property, Plant and Equipment		(4,669.84)	(5,949.50)
	Proceeds from Sale of Property, Plant and Equipment		23.24	5.30
	<b>Net Cash (used in)/from Investing Activities (B)</b>		<b>(4,646.60)</b>	<b>(5,944.20)</b>
<b>C)</b>	<b>Cash Flow from Financing Activities</b>			
	Proceeds/(Repayment) of long term borrowings		(500.00)	5,000.00
	Proceeds/(Repayment) of short term borrowings (Net)		9,263.31	1,116.34
	Dividend Paid		-	(504.80)
	Payment of lease liabilities		(65.13)	(65.87)
	Interest and Other Finance Cost		(883.36)	(397.55)
	<b>Net Cash (used in)/from Financing Activities (C)</b>		<b>7,814.82</b>	<b>5,148.12</b>
	<b>Net increase in cash and cash equivalents (A + B + C)</b>		<b>938.20</b>	<b>(877.44)</b>
	Cash & cash equivalents at beginning of the year	9	<b>661.24</b>	<b>1,538.68</b>
	Cash & cash equivalents at end of the year	9	<b>1,599.44</b>	<b>661.24</b>

Significant accounting policies and accompanying notes form an integral part of consolidated financial statements 1-36

As per our attached Report of even date  
For Bagaria & Co. LLP  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

For and on behalf of Board of Directors

**Dharmil A. Bodani** Managing Director  
DIN : 00618333  
**Satish Kumar Ray** Executive Director-Operations  
DIN: 07904910

**Vinay Somani**  
Partner

Date : 30th May, 2023  
Place : Mumbai

**Parag Satoskar** Chief Executive Officer  
**Girish Khandelwal** Chief Financial Officer  
**Kiranpreet Gill** Company Secretary

## CONSOLIDATED OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2023

a EQUITY SHARE CAPITAL							
As at 31st March 2022	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the period	Change during the year 2022-23	As at 31st March 2023			
1,682.68	-	1,682.68		1,682.68			
As at 31st March 2021	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the period	Change during the year 2021-22	As at 31st March 2022			
1,682.68	-	1,682.68		1,682.68			
b OTHER EQUITY							
Particulars	NOTE	Reserves and Surplus			Items of other comprehensive income - Actuarial gains / (loss)		Total
		Capital Reserve on Amalgamation	General Reserve	Retained Earnings	Actuarial gains / (losses)	Foreign Currency Translation Reserve	
<b>Balance as at 1st April, 2021</b>		266.74	4,275.12	49,705.38	(195.81)	(5.44)	<b>54,045.99</b>
Changes in Other Equity due to prior period errors		-	-	(0.14)	-	-	<b>(0.14)</b>
<b>Restated balance at the beginning of the period</b>		<b>266.74</b>	<b>4,275.12</b>	<b>49,705.24</b>	<b>(195.81)</b>	<b>(5.44)</b>	<b>54,045.85</b>
Profit for the year		-	-	5,330.23	-	-	<b>5,330.23</b>
Other Comprehensive Income for the year		-	-	-	(32.67)	-	<b>(32.67)</b>
Translation reserve for the year		-	-	-	-	0.71	<b>0.71</b>
Dividend Paid (including Interim Dividend)		-	-	(504.80)	-	-	<b>(504.80)</b>
<b>Balance as at 31st March, 2022</b>		<b>266.74</b>	<b>4,275.12</b>	<b>54,530.66</b>	<b>(228.48)</b>	<b>(4.73)</b>	<b>58,839.32</b>
Changes in Equity due to prior period errors		-	-	-	-	-	<b>-</b>
<b>Restated balance at the beginning of the period</b>		<b>266.74</b>	<b>4,275.12</b>	<b>54,530.66</b>	<b>(228.48)</b>	<b>(4.73)</b>	<b>58,839.32</b>
Profit for the year		-	-	1,974.29	-	-	<b>1,974.29</b>
Other Comprehensive Income for the year		-	-	-	(6.11)	-	<b>(6.11)</b>
Translation reserve for the year		-	-	-	-	4.10	<b>4.10</b>
<b>Balance as at 31st March, 2023</b>		<b>266.74</b>	<b>4,275.12</b>	<b>56,504.96</b>	<b>(234.59)</b>	<b>(0.63)</b>	<b>60,811.60</b>

Significant accounting policies and accompanying notes form an integral part of Consolidated financial statements 1-36

As per our attached Report of even date  
For Bagaria & Co. LLP  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

For and on behalf of Board of Directors

**Dharmil A. Bodani** Managing Director  
DIN : 00618333  
**Satish Kumar Ray** Executive Director-Operations  
DIN: 07904910

**Vinay Somani**  
Partner

Date : 30th May, 2023  
Place : Mumbai

**Parag Satoskar** Chief Executive Officer  
**Girish Khandelwal** Chief Financial Officer  
**Kiranpreet Gill** Company Secretary

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 1 General Information :

The consolidated financial statements comprise financial statements of Oriental Aromatics Limited ("the Parent Company") and its subsidiaries (hereinafter referred to as "the Group") for the year ended 31st March, 2023.

The Parent Company is a Public limited company and based at Mumbai, Maharashtra, India. It is incorporated under Companies Act, 1956 and its shares are listed on BSE Limited and National Stock Exchange Limited. The Company is having 3 manufacturing facilities at Ambarnath - Maharashtra, Bareilly - Uttarpradesh, Vadodara - Gujarat and they are engaged in the manufacturing and sale of Fine chemicals i.e. camphor, perfumery & specialty aroma chemicals, fragrances and flavors in India.

### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

#### I. Statement of compliance:

The Consolidated financial Statements of the Group which comprise the Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as Consolidated Financial Statements') have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter ('Ind AS'), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Consolidated Financial Statements have been approved by the Board of Directors in its meeting held on 30th May, 2023.

#### II. PRINCIPLES OF CONSOLIDATION

##### (i) Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

- (ii) The acquisition method of accounting is used to account for business combinations by the group.
- (iii) Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Deferred tax asset has been created on unrealized stock reserve.
- (iv) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.
- (v) The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

- (vi) When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### III. Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On disposal of foreign operations (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

- IV For other accounting policies - Refer significant accounting policies mentioned in the standalone financial statement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 2 Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
<b>Gross Carrying Amount / Deemed Cost</b>								
<b>As at 31st March 2022</b>	4.74	6,589.47	19,488.72	402.06	905.02	857.99	155.71	28,403.71
Additions	-	44.74	1,616.41	45.05	58.60	123.77	40.73	1,929.30
Disposals	-	3.52	43.80	5.08	0.01	31.82	3.12	87.35
Adjustment	-	71.60	(81.17)	36.07	(23.95)	6.00	0.92	9.47
<b>As at 31st March 2023</b>	4.74	6,702.29	20,980.16	478.10	939.66	955.94	194.24	30,323.54
<b>Accumulated Depreciation :</b>								
<b>As at 31st March 2022</b>	-	1,466.31	4,797.62	312.91	597.50	330.14	112.84	7,617.32
Depreciation charge for the year	-	252.17	1,267.35	48.61	82.68	103.33	32.33	1,786.47
Disposals/Adjustment	-	2.51	33.17	4.86	-	17.14	3.10	60.78
<b>As at 31st March 2023</b>	-	1,715.97	6,031.80	356.66	680.18	416.33	142.07	9,343.01
<b>Net Carrying Amount :</b>								
<b>As at 31st March 2022</b>	4.74	5,123.16	14,691.10	89.16	307.52	527.85	42.86	20,786.39
<b>As at 31st March 2023</b>	4.74	4,986.32	14,948.36	121.44	259.47	539.61	52.16	20,912.11

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
<b>Additions</b>								
<b>As at 31st March 2021</b>	4.74	6,253.51	16,101.17	380.38	973.63	770.52	111.93	24,595.87
Additions	-	335.96	3,403.81	29.09	28.76	101.81	43.78	3,943.22
Disposals	-	-	16.26	7.41	97.37	14.34	-	135.37
<b>As at 31st March 2022</b>	4.74	6,589.47	19,488.72	402.06	905.02	857.99	155.71	28,403.72
<b>Accumulated Depreciation :</b>								
<b>As at 31st March 2021</b>	-	1,203.33	3,727.68	279.95	605.73	244.61	75.97	6,137.28
Depreciation charge for the year	-	262.98	1,075.91	39.87	79.84	97.32	36.87	1,592.79
Disposals	-	-	5.97	6.92	88.07	11.79	-	112.75
<b>As at 31st March 2022</b>	-	1,466.31	4,797.62	312.91	597.50	330.14	112.84	7,617.32
<b>Net Carrying Amount :</b>								
<b>As at 31st March 2021</b>	4.74	5,050.18	12,373.49	100.43	367.89	525.91	35.96	18,458.59
<b>As at 31st March 2022</b>	4.74	5,123.16	14,691.10	89.15	307.52	527.85	42.86	20,786.38

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Notes:

- For information on property, plant and equipment offered as security by the Group, refer standalone financial statement
- For information on Capital Commitment, refer to note number - 33
- Breakup of Capital work in progress comprises of assets under installation/construction which are as under :-**

Particulars	As on	
	31-Mar-23	31-Mar-22
Plant & Equipment	2,289.74	537.98
Buildings	1,503.34	1,322.29
Directly attributable cost relating to project:		
Salary Expenses	271.98	104.24
Professional Fees	678.36	461.21
Borrowings Cost	208.05	42.35
Other Expenses	81.39	37.01
<b>Total</b>	<b>5,032.86</b>	<b>2,505.08</b>

### D. Capital work-in-progress ageing schedule

Particulars	(In ₹ Lakh)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years*	Total
<b>As at 31st March 2023</b>					
Projects in progress	3,747.89	917.34	408.35	167.33	5,240.91
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,747.89</b>	<b>917.34</b>	<b>408.35</b>	<b>167.33</b>	<b>5,240.91</b>
<b>As at 31st March 2022</b>					
Projects in progress	1,738.41	632.76	133.91	-	2,505.08
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,738.41</b>	<b>632.76</b>	<b>133.91</b>	<b>-</b>	<b>2,505.08</b>

\*Delayed due to changes in products process and engineering design.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 3 Intangible assets

(In ₹ Lakh)					
Particulars	Products Registration & Development	Technical Knowhow	Computer Software	Total	Intangible Asset Under Development*
<b>Gross Carrying Amount / Deemed Cost</b>					
As at 31st March 2022	219.88	1,464.61	105.17	1,789.67	40.62
Additions	141.92	-	197.62	339.54	179.72
Disposals/Adjustment	(0.06)	0.13	0.05	0.12	196.74
<b>As at 31st March 2023</b>	<b>361.86</b>	<b>1,464.49</b>	<b>302.74</b>	<b>2,129.09</b>	<b>23.60</b>
<b>Accumulated Amortisation</b>					
As at 31st March 2022	20.63	1,464.49	102.46	1,587.57	-
Amortisation charge for the year	69.56	-	17.16	86.72	-
<b>As at 31st March 2023</b>	<b>90.19</b>	<b>1,464.49</b>	<b>119.62</b>	<b>1,674.29</b>	<b>-</b>
<b>Net Carrying Amount</b>					
As at 31st March 2022	199.26	0.13	2.71	202.10	40.62
<b>As at 31st March 2023</b>	<b>271.68</b>	<b>-</b>	<b>183.12</b>	<b>454.80</b>	<b>23.60</b>

Particulars	Products Registration & Development	Technical Knowhow	Computer Software	Total	Intangible Asset Under Development*
<b>Gross Carrying Amount / Deemed Cost</b>					
As at 31st March 2021	-	1,464.61	105.17	1,569.78	-
Additions	219.88	-	-	219.88	40.6
<b>As at 31st March 2022</b>	<b>219.88</b>	<b>1,464.61</b>	<b>105.17</b>	<b>1,789.67</b>	<b>40.6</b>
<b>Accumulated Amortisation</b>					
As at 31st March 2021	-	1,464.49	81.73	1,546.21	-
Amortisation charge for the year	20.63	-	20.73	41.36	-
<b>As at 31st March 2022</b>	<b>20.63</b>	<b>1,464.49</b>	<b>102.46</b>	<b>1,587.57</b>	<b>-</b>
<b>Net Carrying Amount</b>					
As at 31st March 2021	-	0.13	23.44	23.57	-
<b>As at 31st March 2022</b>	<b>199.26</b>	<b>0.13</b>	<b>2.71</b>	<b>202.10</b>	<b>40.6</b>

\* Represents computer software having ageing for a period less than one year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 4 Right of use - Lease

(In ₹ Lakh)			
Particulars	Lease-Land	Lease-Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2022	1,048.99	180.26	1,229.25
Additions	210.13	247.97	458.10
<b>As at 31st March 2023</b>	<b>1,259.12</b>	<b>428.23</b>	<b>1,687.35</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2022	51.47	159.86	211.33
Amortisation charge for the year	12.92	56.68	69.60
<b>As at 31st March 2023</b>	<b>64.39</b>	<b>216.54</b>	<b>280.93</b>
<b>Net Carrying Amount</b>			
As at 31st March 2022	997.52	20.40	1,017.92
<b>As at 31st March 2023</b>	<b>1,194.73</b>	<b>211.69</b>	<b>1,406.42</b>

Particulars	Lease-Land	Lease-Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2021	631.83	180.26	812.09
Additions	417.16	-	417.16
<b>As at 31st March 2022</b>	<b>1,048.99</b>	<b>180.26</b>	<b>1,229.25</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2021	39.87	104.39	144.26
Amortisation charge for the year	11.60	55.46	67.07
<b>As at 31st March 2022</b>	<b>51.47</b>	<b>159.86</b>	<b>211.33</b>
<b>Net Carrying Amount</b>			
As at 31st March 2021	591.96	75.87	667.83
<b>As at 31st March 2022</b>	<b>997.52</b>	<b>20.40</b>	<b>1,017.92</b>

Notes: Refer Note No. 42 of the standalone financial statements for Leases.

### 5 Non Current - Other Financial Assets

(In ₹ Lakh)		
Particulars	As on	
	31st March, 2023	31st March, 2022
<b>Non-current</b>		
<b>Considered good</b>		
Security Deposits with Government and Others	463.51	200.54
Bank Deposits with maturity more than 12 months (Security against Guarantee given)	200.67	188.70
Recoverable in respect of acquired business	17.73	21.13
<b>Total</b>	<b>681.91</b>	<b>410.37</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 6 Other non - current assets

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Capital advances	413.59	676.54
Prepaid Expense	26.68	69.98
<b>Total</b>	<b>440.27</b>	<b>746.52</b>

### 7 Inventories

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Raw Materials	13,495.47	11,034.44
Raw Materials - in Transit	1,961.13	1,914.27
Work-in-progress	7,125.74	5,689.97
Finished goods	10,045.52	4,555.15
Finished goods - in Transit	2,711.72	4,246.41
Stores, Spares and Packing Materials	1,400.42	1,223.16
Stores, Spares and Packing Materials - in Transit	33.37	29.84
<b>Total</b>	<b>36,773.37</b>	<b>28,693.23</b>

#### Notes:

- 1 Refer standalone financial statements for the details in respect of inventories hypothecated /mortgaged as security for borrowings.
- 2 Inventories written down are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-down of inventories amounted to ₹ 941.18 lakhs (P.Y. ₹ 612.48 lakhs). These write down have been recognised as an expense under Raw Material Consumption and Changes in inventories of finished goods and work-in progress in statement of Profit and Loss.

### 8 Trade receivables

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Trade Receivables considered good - Unsecured	19,003.75	19,479.34
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	188.79	195.06
Less: Allowance for bad and doubtful debts	(188.79)	(195.06)
<b>Total</b>	<b>19,003.75</b>	<b>19,479.34</b>

Refer standalone financial statements for Trade Receivable Aging, Currency Risk, Trade Receivables offered as security and Credit Risk

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 9 Cash and cash equivalents

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Balances with Banks		
- In current accounts	1,573.62	550.76
- In deposit accounts having original maturity of three months or less	-	100.00
Cash on hand	25.83	10.48
<b>Total</b>	<b>1,599.44</b>	<b>661.24</b>

### 10 Other Bank Balances

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Unpaid Dividend	55.07	59.93
Margin Money Accounts (Offered as Security against Bank Guarantee given)	36.84	108.98
Term deposits with original maturity more than 3 months and less than 12 months	46.73	111.61
<b>Total</b>	<b>138.64</b>	<b>280.52</b>

### 11 Current - Other Financial Assets

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Interest accrued on fixed deposit and others	3.89	3.78
Loan to staff	46.93	63.18
Insurance claim receivable	1.69	0.18
Other Receivable - Deposit and Government grant	20.61	57.86
<b>Total</b>	<b>73.12</b>	<b>125.00</b>

### 12 Other current assets

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Export benefit receivables	18.79	48.32
Balances with GST	4,778.71	4,413.47
Advances to Suppliers	1,015.18	1,013.47
Advances to Staff	38.42	63.02
Prepaid expenses	523.61	734.70
<b>Total</b>	<b>6,374.71</b>	<b>6,272.98</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 13 Equity Share capital

	(In ₹ Lakh)	
a)	As on 31-March-2023	As on 31-March-2022
<b>Authorised</b>		
<b>Equity shares</b>	3,500.00	3,500.00
As at 31st March,2023 - 7,00,00,000 no. of shares at ₹ 5 each.		
As at 31st March,2022 - 7,00,00,000 no. of shares at ₹ 5 each.		
	<b>3,500.00</b>	<b>3,500.00</b>
<b>Issued, subscribed and fully paid up</b>		
<b>Equity shares</b>	1,682.68	1,682.68
As at 31st March,2023 - 3,36,53,576 no. of shares at ₹ 5 each.		
As at 31st March,2022 - 3,36,53,576 no. of shares at ₹ 5 each.		
<b>Total</b>	<b>1,682.68</b>	<b>1,682.68</b>

### b) Rights of Equity Shareholders

- The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### c) Reconciliation of number of shares

Particulars	As on 31-March-2023	As on 31-March-2022
<b>Equity Shares :</b>		
Balance as at the beginning of the year	3,36,53,576	3,36,53,576
Balance as at the end of the year	<b>3,36,53,576</b>	<b>3,36,53,576</b>

### d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As on 31-March-2023		As on 31-March-2022	
Dharmil A. Bodani	1,24,78,752	37.08%	1,24,78,752	37.08%
Shyamal A. Bodani	1,24,80,000	37.08%	1,24,80,000	37.08%

### e) The details of Shares held by promoters at the end of the year

Particulars	As on 31-March-2023			As on 31-March-2022		
	No. of Equity Shares	Equity Shares %	% Change during the year	No. of Equity Shares	Equity Shares %	% Change during the year
Dharmil A. Bodani	1,24,78,752	37.08%	-	1,24,78,752	37.08%	-
Shyamal A. Bodani	1,24,80,000	37.08%	-	1,24,80,000	37.08%	-
Veer Dharmil Bodani	624	0.00%	-	624	0.00%	-
Yuvraj Dharmil Bodani	624	0.00%	-	624	0.00%	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### f) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
Share issue on Subdivision of Shares	-	-	-	-	84,13,394
Share issue on Bonus	-	-	-	-	1,68,26,788
Shares issued for consideration other than cash	-	-	-	-	-
Bought back any shares issued	-	-	-	-	-

### 14 Other Equity

Particulars	(In ₹ Lakh)	
	As on 31st March, 2023	As on 31st March, 2022
<b>A. Summary of Other Equity balance.</b>		
Capital Reserve On Amalgamation	266.74	266.74
General Reserve	4,275.12	4,275.12
Retained Earnings	56,504.96	54,530.67
Other comprehensive income	(234.59)	(228.48)
Foreign Currency Translation Reserve	(0.63)	(4.73)
<b>Total</b>	<b>60,811.60</b>	<b>58,839.32</b>

### B. Nature and purpose of reserves

- Capital Reserve on Amalgamation :** During business combination, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.
- General Reserve :** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- Retained Earnings :** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholder.
- Foreign Currency Translation Reserve :** This reserve contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation whose functional currency is other than Indian rupees. Exchange differences previously accumulated in this reserve are reclassified to profit or loss on disposal of the foreign operation.
- Items of other Comprehensive income :** Difference between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustment within the plans, are recognised in 'Other Comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

### 15 Non Current Financial Liabilities - Borrowings

Particulars	(In ₹ Lakh)	
	As on 31st March, 2023	As on 31st March, 2022
<b>Secured</b>		
Term loan from a Bank	3,164.00	4,500.00
<b>Total</b>	<b>3,164.00</b>	<b>4,500.00</b>

For terms and conditions - Refer standalone financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 16 Non Current Financial Liabilities - Others

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>Provision for employee benefits :</b>		
Provision for Gratuity	57.51	-
Provision for Compensated Absences	232.07	208.31
<b>Total</b>	<b>289.58</b>	<b>208.31</b>

Refer standalone financial statement for Disclosure regarding Defined benefit Plans

### 17 Current Financial Liabilities - Borrowings

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>Secured</b>		
Current maturities of long-term debt	1,336.00	500.00
Working Capital Loan from Banks	18,384.15	8,934.88
<b>Total</b>	<b>19,720.15</b>	<b>9,434.88</b>

For terms and conditions - Refer standalone financial statements

### 18 Trade payables

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Due to micro enterprises and small enterprises	939.56	360.37
Due to creditors other than micro enterprises and small enterprises	7,752.77	7,756.04
<b>Total</b>	<b>8,692.33</b>	<b>8,116.41</b>

Refer Note no. 33 for related party disclosure

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
1) Principal amount due and remaining unpaid	939.56	360.37
2) Interest due on above and the unpaid interest	1.23	0.81
3) Interest paid	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### Trade Payables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31st March 2023</b>						
MSME Creditors	58.64	880.92	-	-	-	939.56
Creditors other than MSME	1,442.48	6,286.66	9.85	3.01	10.77	7,752.77
Disputed dues - MSME Creditors	-	-	-	-	-	-
Disputed dues - Creditors other than MSME	-	-	-	-	-	-
<b>Total</b>	<b>1,501.12</b>	<b>7,167.58</b>	<b>9.85</b>	<b>3.01</b>	<b>10.77</b>	<b>8,692.33</b>

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31st March 2022</b>						
MSME Creditors	270.41	89.96	-	-	-	360.37
Creditors other than MSME	3,132.51	4,542.99	44.97	2.48	9.81	7,732.76
Disputed dues - MSME Creditors	-	-	-	-	-	-
Disputed dues - Creditors other than MSME	-	15.93	5.33	-	2.02	23.28
<b>Total</b>	<b>3,402.92</b>	<b>4,648.88</b>	<b>50.30</b>	<b>2.48</b>	<b>11.83</b>	<b>8,116.41</b>

### 19 Other financial liabilities

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Interest Accrued but not Due on Borrowings	89.15	24.86
Unclaimed Dividend	55.07	59.93
Payable towards capital expenditure	814.16	315.10
<b>Total</b>	<b>958.39</b>	<b>399.89</b>

### 20 Other Current liabilities

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
Advance from customers	58.68	176.99
Statutory dues	115.13	216.71
<b>Total</b>	<b>173.80</b>	<b>393.71</b>

### 21 Provisions

Particulars	(In ₹ Lakh)	
	As on	
	31st March, 2023	31st March, 2022
<b>Provision for employee benefits :</b>		
Provision for Gratuity	190.39	173.68
Provision for Compensated Absences	26.01	24.58
<b>Total</b>	<b>216.40</b>	<b>198.26</b>

Refer standalone financial statement for Disclosure regarding Defined benefit Plans



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 22 Revenue from Operations

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
<b>Sale of Manufactured Products</b>		
Contracted Price	85,035.56	87,022.16
Less: Trade Discount, Volume Rebate etc	(456.29)	(386.79)
	84,579.26	86,635.37
<b>Other operating revenues</b>		
Export Incentives	189.75	119.25
Process waste sale	126.44	114.86
Royalty Income	11.80	9.71
<b>Total</b>	<b>84,907.26</b>	<b>86,879.19</b>

### 23 Other income

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Rent and Compensation	6.21	3.44
Interest on Income Tax Refund	0.05	0.02
Foreign Exchange Gain (net)	341.04	216.41
Liability/Provision no longer required, written back	220.82	18.15
Other non-operating income	4.70	202.83
<b>Total</b>	<b>572.81</b>	<b>440.85</b>

### 24 Cost of materials consumed

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Raw Materials consumed	63,068.53	61,558.47
<b>Total</b>	<b>63,068.53</b>	<b>61,558.47</b>

### 25 Changes in inventories of finished goods and work-in progress

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
<b>Opening inventories</b>		
Finished goods	8,801.57	5,482.30
Work-in-progress	5,689.97	4,731.92
<b>Closing inventories</b>		
Finished goods	(12,757.24)	(8,801.57)
Work-in-progress	(7,125.74)	(5,689.97)
<b>Total</b>	<b>(5,391.44)</b>	<b>(4,277.32)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 26 Manufacturing and Operating Costs

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Consumption of Spares Parts	1,760.21	1,677.40
Power and Fuel	5,177.78	4,631.16
License Fees (Technical Knowhow)	469.61	411.56
Other Manufacturing and Operating Expenses	2,759.21	2,686.32
Repairs to Buildings	194.31	162.75
Repairs to Machinery	625.88	735.53
<b>Total</b>	<b>10,987.00</b>	<b>10,304.72</b>

### 27 Employee benefits expense

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Salaries and wages	4,611.40	4,483.00
Contribution to provident fund and other funds	237.45	226.29
Defined benefit plan expense	172.60	50.25
Workmen and Staff welfare expenses	262.62	249.57
<b>Total</b>	<b>5,284.06</b>	<b>5,009.11</b>

### 28 Finance costs

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Interest expense	1,025.02	246.23
Foreign Exchange loss on borrowings - attributable to Interest	209.25	86.22
Other borrowing costs	68.84	72.05
<b>Total</b>	<b>1,303.10</b>	<b>404.50</b>

### 29 Depreciation and amortization expense

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Depreciation on Property, Plant and Equipment	1,786.48	1,592.78
Amortization on Right to use - leases	69.60	67.07
Amortization on Intangible assets	86.72	41.36
<b>Total</b>	<b>1,942.80</b>	<b>1,701.22</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 30 Other expenses

Particulars	(In ₹ Lakh)	
	For the year ended	
	31st March, 2023	31st March, 2022
Rent	4.76	9.45
Insurance	320.12	254.87
Rates and Taxes	152.32	111.38
Repairs & Maintenance Others	81.45	94.20
Auditor's Remuneration and Expenses	22.46	22.62
Legal and Professional Expenses	472.20	335.70
Testing Fees	264.18	300.87
Directors Sitting Fees	25.56	20.76
Bad Debts	8.63	-
Less:- Provision utilised against bad debts	(8.63)	-
Provision for doubtful Debts	2.36	37.39
Freight Expenses	1,999.25	2,059.58
Commission on Sales	209.99	166.94
Sales Promotion Expenses	449.13	113.10
Travelling Expenses	547.25	263.20
Corporate Social Responsibility Expenses	211.82	525.00
Net Loss on Sale / Discard of Property, Plant and Equipment	3.35	17.37
Foreign Exchange Loss (net)	-	0.35
Miscellaneous Expenses	771.59	698.69
<b>Total</b>	<b>5,537.77</b>	<b>5,031.47</b>

### 31 Composition of the Group

Information about the composition of the Group is as follows:

Particulars	Place of Incorporation	Shareholding (In %)	
		As at 31st March 2023	As at 31st March 2022
<b>Oriental Aromatics &amp; Sons Limited</b> (Incorporated during the last year) (Business yet to be commencement)	India	100%	100%
<b>PT Oriental Aromatics</b> (Proposed to be Liquidated) (Business of Aroma Chemicals)	Indonesia	99.86%	99.86%

### 32 Earnings per share

Particulars	(In ₹ Lakh)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Earnings Per Share has been computed as under:		
Profit for the year	1,974.29	5,330.23
Weighted average number of equity shares outstanding (in Numbers)	3,36,53,576	3,36,53,576
Basic and diluted Earnings Per Share (₹)	5.87	15.84
(Face value of ₹ 5 per share)		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 33 Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	(In ₹ Lakh)	
	As at 31st March 2023	As at 31st March 2022
Property, plant and equipment	1,745.90	1,797.89
Less: Capital advances	(413.59)	(676.54)
<b>Net Capital commitments</b>	<b>1,332.32</b>	<b>1,121.35</b>

### 34 Related Parties Disclosure

Other Parties with whom the Company has entered into transactions during the year :

#### i) Enterprises over which Key Managerial Personnel are able to exercise significant influence

Keshavlal V. Bodani Education Foundation.  
Vaishnavi Chemicals Private Limited

#### ii) Key Management personnel and relatives :

Mr. Dharmil A. Bodani (Chairman and Managing Director)	Mr. Girish Khandelwal (Chief Financial Officer)
Mr. Shyamal A. Bodani (Executive Director)	Mrs. Kiranpreet Gill (Company Secretary)
Mr. Satish Ray (Executive Director - Operations)	Mrs. Indira Bodani (Relative KMP)
Mr Bhadreshkumar Pandya (Executive Director - Operations till 15.08.22)	Mrs. Anita Satoskar (Chief R&D Officer) (KMP w.e.f. 25.03.2021)
Mr. Parag Satoskar (Chief Executive Officer)	

#### iii) Non-Executive Independent Director:

Mr. Harshvardhan A. Piramal  
Mr. Prakash V. Mehta  
Mr. Ranjit A. Puranik  
Ms. Amruda V. Nair

#### Transaction with the Related Parties

##### 1 Compensation to Key Management Personnel

Sr No	Particulars	2022-23	2021-22	Balance as on 31-Mar-2023	Balance as on 31-Mar-2022
1	Short term employee benefits	926.91	990.64	(50.15)	-
2	Post-employment benefits*	-	-	-	-

\*Key Managerial Personnel and Relatives of Key Managerial Personnel who are under the employment of the company are entitled to post employment benefits and other long term benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

### 2 Disclosure in respect of material transaction with related parties

Sr No	Particulars	Nature of transaction	2022-23	2021-22	Balance as on 31-Mar-2023	Balance as on 31-Mar-2022
1	Keshavlal V. Bodani Education Foundation	Donation (Included in CSR Expenses)	205.32	382.33	-	-
2	Mr. Dharmil A. Bodani	Remuneration	325.30	325.10	(17.62)	-
3	Mr Shyamal A. Bodani	Remuneration	234.08	234.08	(18.04)	-
4	Mr Bhadreshkumar Pandya	Remuneration	15.16	28.61	-	-
5	Mr. Satish Ray	Remuneration	29.34	24.23	(0.13)	-
6	Mr. Parag Satoskar	Remuneration	122.24	237.59	(3.25)	-
7	Ms. Anita Satoskar	Remuneration	122.24	74.86	(5.68)	-
8	Mr. Girish Khandelwal	Remuneration	59.23	51.10	(4.19)	-
9	Ms. Kiranpreet Gill	Remuneration	19.32	15.07	(1.24)	-
10	Ms. Indira Bodani	Remuneration	27.62	27.62	(1.63)	-
11	Non-Executive Independent Director	Directors sitting fees	25.56	20.76	-	-
12	Vaishnavi Chemicals Private Limited	Rent Expenses	30.24	30.24	(2.26)	-

#### Note :

- No amount in respect of related party have been written off/provided for during the year.
- Related parties relationship have been identified by the management and relied upon by the auditors.
- Terms and conditions of transactions: the transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions and market rates.
- Figures in brackets represents amount payable.

**35** There are only two subsidiaries company including one foreign subsidiary company with insignificant transactions. The accounting policies and notes to accounts being similar to that of the holding company as stated in standalone financial statements are not appended hereto.

**36** The previous year's figures have been re-grouped / re-classified wherever required to conform to current year's classification.

All figures of financials has been rounded off to nearest lacs rupees.

Signatures to Notes 1 to 36 which form an integral part of the financial statement.

#### For and on behalf of Board of Directors

**Dharmil A. Bodani**  
Managing Director  
DIN : 00618333

**Satish Kumar Ray**  
Executive Director-Operations  
DIN: 07904910

**Date : 30th May, 2023**  
**Place : Mumbai**

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

### Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary and joint venture companies for the year ended March 31, 2023

Sr No	Name of the Subsidiary Company	Date of acquisition/ incorporation	Reporting Currency	Exchange Rate	Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Loss Before Taxation	Provision for Taxation	Loss after Taxation	Dividend	% Equity Interest
1	PT Oriental Aromatics	07-Mar-13	Rupiah	0.005	823.73	(89719)	9.48	82.93	-	-	(19.60)	-	(19.60)	-	99.86%
2	Oriental Aromatics & Sons Limited	27-Dec-19	INR	1.000	3,200.00	(170.06)	3,207.62	177.69	-	-	(77.59)	(9.01)	(68.58)	-	100.00%





*Oriental Aromatics Ltd.*

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